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Canada. Task force on agriculture

## GOVERNMENT INVOLVEMENT IN AGRICULTURE

A Report Prepared for the  
Federal Task Force on Agriculture

by

S.W. GARLAND      and      S.C. HUDSON

Ottawa, Canada  
October 1968



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## PREFACE

The Federal Task Force on Agriculture commissioned a series of research projects in the course of its work. This report is the result of one such project.

Dr. S.C. Hudson, Economic Consultant and formerly Director General of the Economics Branch of the Canada Department of Agriculture was contracted to review government assistance to agriculture. Mr. S.W. Garland of the Economics Branch of C.D.A. was assigned to assist Dr. Hudson in the work.

Much of the data has been contributed by the Provincial Departments of Agriculture across Canada. The cooperation of these departments was invaluable during the course of the work.

The Task Force has authorized preparation and publication of this report but it should be expressly understood that the opinions, results, conclusions etc. contained herein are not necessarily those of the Task Force nor of the Department of Agriculture.

Federal Task Force on Agriculture

Ottawa, Ontario

January, 1969



# GOVERNMENT INVOLVEMENT IN AGRICULTURE

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## GOVERNMENT INVOLVEMENT IN AGRICULTURE

### INTRODUCTION

The federal and provincial governments have established a great number and variety of programs to assist agriculture. Some were relevant to the urgencies of war or other emergency situations, some were intended to promote specific areas or commodities, but most were intended to assist and promote the development of the agriculture industry in general. Important changes have occurred in farm technology, in agricultural structure, in market conditions, and in the nation's economic situation since some of these programs were instituted. The charges are sometimes made that the funds made available to assist the agriculture industry are inadequate and misdirected and that many assistance programs are ineffective for solving the current problems of the industry. While some comments with respect to the inadequacies of government agricultural policies and programs may be valid, some are made without full knowledge of the assistance that is or has been made available to the industry.

This project on government involvement in agriculture is intended to describe agricultural assistance programs of the federal and provincial governments and to make an evaluation of the various types of programs, to serve as a guide for formulating policies and programs in the future.



For purposes of this study, government assistance programs are considered under three broad groups: (1) those intended to facilitate the production and marketing of farm products; (2) those concerned with producer price and income maintenance and (3) programs of research, education and extension. Within the first group, specific consideration is given to programs concerned with livestock and crop improvement, resource development, farm credit and agricultural manpower, and to marketing programs which include market promotion, the provision and control of market facilities and the grading and inspection of the principal classes of farm products. Programs concerned with price and income maintenance through producer marketing operations including co-operatives, producer marketing boards and statutory marketing agencies as exemplified by the Canadian Wheat Board, are reviewed in the second group. Here are considered the price support programs associated with the federal government's Agricultural Stabilization Board; the type of supplementary income assistance which has been provided through freight and storage subsidies such as feed freight assistance and payment of part of the cost of holding wheat under the Temporary Wheat Reserves Act, and through insurance and other arrangements for compensation for crop and livestock losses.

Many agricultural programs of the various governments are similar in purpose and differ only in minor technical details or extent of assistance offered. Some programs are designed to cope with purely regional conditions. A comprehensive and detailed description of agricultural policies and programs in Canada is beyond the scope of

this report, therefore, the list of programs described is by no means exhaustive. The ones described indicate something of the large number and variety of programs designed specifically to assist the agriculture industry in Canada. Government programs of a more general nature, which may have a particular impact on agriculture as well as on other segments of the economy, such as, for example, tariffs, food and drug regulations, family allowances or old age security pensions, are excluded from this review.

This report is based on a review and analysis of information on federal and provincial agricultural legislation and programs compiled by the Economics Branch, Canada Department of Agriculture. To those officials of cooperating federal and provincial government departments who provided information, and to members of the staff of the Economics Branch who assisted in the preparation of the report, the authors express their thanks.



## PRODUCTION ASSISTANCE

Early government efforts to assist the agriculture industry, at both the federal and provincial government levels, included programs directed towards the improvement of livestock and crop production. Government funds helped to import purebred livestock, introduce new crops and new types of implements for cultivation. Programs were developed to provide farmers with foundation or breeding stock, to safeguard animal and plant health and to stimulate better husbandry through example and participation in competition. Government programs to improve livestock and crop production continue to emphasize disease control, increased yields and quality improvement.

## LIVESTOCK IMPROVEMENT

Some of the earliest agricultural assistance programs were directed towards the establishment of the livestock industry. Livestock were an essential part of agricultural development. They converted grasses from unbroken lands into high quality protein foods for the settler and his family; they provided draft power, raw materials such as wool and hides, and fertilizer. Control of disease, good husbandry practices and improvement of quality have always been emphasized in livestock policies.

Legislation governing the control of livestock diseases in Canada was passed by the federal government in 1879. At the turn of the century programs offering financial assistance for the purchase and transportation of good breeding stock were introduced. Purebred sires were purchased and lent to farmers who had difficulty in obtaining good breeding stock. These kinds of programs were common with the provincial governments as

well as the federal government. Many were jointly supported. Because of their closer association with the farmers and familiarity with regional conditions, the provincial departments of agriculture sometimes supervised the operations of a program, with the federal government being a direct financial participant. Programs of direct financial assistance for livestock purchase have not been used extensively in recent years, particularly in the more developed areas. The federal government has withdrawn all programs of this type except for the lending of purebred boars, bulls and rams.

As the livestock industry developed, improvement in quality was further emphasized by quality grading. The development of interprovincial and export trade in livestock and livestock products gave rise to the need for grading and increased the need for emphasizing improved quality. The federal government and some provinces paid premiums for the best grades of some commodities.

Government assistance programs undoubtedly helped establish the livestock industry in Canada. Evidence that the industry is well established is the fact that livestock and livestock products are the source of over half the cash receipts from farming operations of Canadian farmers. In 1967, cash receipts from the sale of livestock and livestock products amounted to \$2,392.6 million, 55 per cent of the total cash receipts of farmers. Cash receipts from cattle and calves totaled \$922.3 million, from hogs \$408.3 million, dairy products \$629.4 million, and from poultry and eggs \$373.4 million. Only in the provinces of Manitoba and Saskatchewan do livestock and their products account for less than half the total farm cash receipts.



### Federal Activities

A large part of the federal government activity to encourage improvement in the livestock industry is made up of an extensive disease prevention and control program, however, performance - testing and research for quality improvement are receiving increasing emphasis.

Regulations to prevent the introduction and spread of contagious diseases among livestock, poultry, birds and bees in Canada were first passed in 1879. The Animal Contagious Diseases Act requires the incidence of contagious diseases to be reported to federal veterinary inspectors and to the Minister of Agriculture. Provision is made for compulsory inspection, segregation, quarantine and if necessary the slaughter of infected animals. Compensation may be paid for domestic animals ordered destroyed and in some cases for animals dying from contagious diseases.

All livestock entering Canada are subject to inspection and quarantine and must be certified free of disease. Inspection facilities are provided in quarantine stations along the border between Canada and the United States and in the eastern provinces. Inspectors examine all livestock, animal products, meat and meat products and immigrants baggage presented for entry into Canada. Any materials that might carry disease organisms are either prohibited entry or are allowed in under safeguard regulations.

Veterinarians of the Department of Agriculture are located at strategic points in regard to the livestock population, throughout Canada. Active disease control programs are aimed at the eradication of established diseases such as tuberculosis and brucellosis. Livestock in all parts of

Canada have been tested for these diseases. Infected animals are ordered slaughtered and compensation is paid. Where eradication is not possible as with rabies and anthrax, reported cases are investigated and quarantine applied. Animals exposed to anthrax are vaccinated. Domestic pets in danger of exposure to rabies are vaccinated.

Diagnostic services for livestock owners and veterinarians are provided at regional laboratories in New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Research into animal diseases is carried out in the Animal Diseases Research Institutes at Hull, Quebec and Lethbridge, Alberta. Research is directed at diseases that cause serious economic losses of livestock and those that may be transmitted to man.

Expenditures of the Department of Agriculture on activities related to the prevention and control of livestock diseases, but not including research, are more than \$7 million annually. The amount of compensation paid annually varies with the incidence of contagious diseases. In 1964-65, it totaled \$1.5 million and in 1966-67 was \$705,000.

Other livestock production oriented programs of the Department, excluding quality premiums, cost more than \$2 million annually. Most of these programs are carried out under the Live Stock and Livestock Products Act, and the Live Stock Pedigree Act. Included are sire loan policies; the issuance of registration certificates for purebred livestock; testing and record-keeping services for Record of Performance programs for purebred dairy cattle, beef cattle and swine; support for 4-H Club work; random sample testing of poultry; hatchery regulation and inspection; and the provision of technical assistance for developing production programs.



A description of some of the livestock improvement programs of the Department of Agriculture follows:

Sire Loans - One of the oldest programs to encourage improvement in livestock was the lending of purebred sires to farmers' associations. The Department of Agriculture supplied the sire and paid the transportation costs to and from the shipping point nearest the place at which the association kept the animal. The association was responsible for all other expenses associated with proper maintenance of the animal and its care and transportation after unloading at the shipping point. Artificial insemination greatly reduced the requirements for this type of assistance for cattle producers and it now applies only to beef cattle, hogs and sheep. Few farmers are taking advantage of these. In 1966 only 15 boars were on loan to 4-H Clubs for cross-breeding purposes, 415 bulls were on loan to community pasture associations, and 51 rams were on loan to sheep clubs. Payments for purchase of livestock and expenses of distribution totaled \$41,771 for bulls, \$159 for boars and \$242 for rams.

Registration of Purebred Livestock - The incorporation of purebred livestock record associations was brought under regulation by the federal government in 1900 with the passing of the Livestock Record Association Act. In 1912 this Act was replaced by the Livestock Pedigree Act which provides for incorporation of purebred livestock record associations and the establishment of a Live Stock Records Board with which associations may become affiliated. Annual grants to ensure the continuation of this registry service for livestock breeders were instituted in 1905. In recent years the annual grant has been just over \$45,000. The only other source of revenue is grants from the affiliated societies.

Affiliated breed associations include those for various breeds of horses, cattle, sheep, swine, foxes, chinchillas, dogs and goats. For its 34 affiliated associations the Canadian National Livestock Records issues both certificates of registration and of transfer for purebred livestock. Officials of the Department of Agriculture approve all registration certificates issued by this organization, and in addition supervise registrations and other activities carried out by four associations which have their own registration systems.

Record of Performance Testing for Dairy Cattle - This program was introduced in 1905 with the objective "to find the high producing cows worthy of being dams of future herd sires". By participating in R.O.P. a breeder gets a within herd comparison of the cows in his herd, permitting him to cull poor producers and select the best breeding stock. Dairy breed associations, except Jersey, require the dam to meet certain R.O.P. standards before the male calf can be registered in the Breed Herd Book.

An annual fee of \$35 a herd plus \$1 a cow is levied on herds registered for testing. Revenue from fees represents about 20 per cent of the cost of the program. The estimated cost in 1967-68 was \$1.4 million of which \$279,414 was recovered in fees (Table 1).

Dairy herds enrolled in R.O.P. are serviced by more than 200 federal Department of Agriculture inspectors. It is estimated that about 2 per cent of the dairy herds and 5 per cent of the dairy cows in Canada are on R.O.P. testing.



TABLE 1.- RECORD OF PERFORMANCE TESTING FOR DAIRY CATTLE: FEDERAL GOVERNMENT EXPENDITURES AND REVENUE, CANADA, 1964-65 TO 1967-68

	Revenue from fees	Total Expenditures <sup>a/</sup>
- dollars -		
1964-65	155,769	1,250,000
1965-66	245,792	1,320,000
1966-67	273,543	1,385,000
1967-68	279,414	1,400,000

<sup>a/</sup> Estimates only.

Note: Expenditures over and above revenue have been between \$10 and \$11 per lactation certificate issued for the past several years.

Source: Livestock Division, Canada Department of Agriculture.

TABLE 2.- RECORD OF PERFORMANCE TESTING FOR DAIRY CATTLE: NUMBER OF HERDS ON TEST AND NUMBER OF CERTIFICATES ISSUED, 1959-60 TO 1967-68

	Herds on Test						Total
	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia	Canada	Lactation Certificates Issued
- number -							
1959-60	307	841	2,173	297	189	3,807	83,000
1961-62	314	877	2,280	286	190	3,947	95,000
1963-64	307	471	2,385	268	178	4,009	95,200
1964-65	283	896	2,522	245	169	4,115	106,500
1965-66	270	857	2,508	226	167	4,028	112,500
1966-67	289	917	2,615	229	175	4,205	112,690
1967-68	279	963	2,695	228	185	4,350	123,185

Source: Livestock Division, Canada Department of Agriculture.

The total number of herds on test in Canada increased from 3,807 in 1959-60 to 4,350 in 1967-68; the number of cows issued certificates increased from 83,000 to 123,185 (Table 2). Over 60 per cent of the herds on test are in the Province of Ontario and it is here that most of the increase in numbers on test has occurred. The number of herds on test has been decreasing slowly in the Maritimes and the Prairie Provinces.

Record of Performance Testing for Purebred Swine - When introduced in 1929, this program was called the Advanced Registry for Purebred Swine. Until April 1, 1957 the Board operated pig testing stations with a grant from the federal government to pay operating costs. As of that date, the operation of stations for the Record of Performance Testing of Purebred Swine became the responsibility of the Canada Department of Agriculture.

The object of this program has been to assist swine breeders identify the best performing strains of purebred and commercial swine breeding stock. The program operates under the guidance of a National Advisory Board comprised of representatives of the federal department of agriculture, provincial departments of agriculture, swine breed associations and the Meat Packers Council of Canada. Within each province programs are under the direct guidance of a provincial or area committee. There are two test programs, brief descriptions of which follow:

1. A station test which consists of rearing from about 50 pounds to 200 pounds or market weight of four selected littermates in a test barn operated by the federal Department of Agriculture. A revolving fund of \$30,000 is used to finance the purchase of the pigs at the beginning of the test, the cost of feed, transportation and utilities for the test station. These costs are recouped at the time of sale of the



carcass. Labor, upkeep, improvements or additions to test stations are paid by the Department.

2. A home test which involves the rearing of four selected littermates at the breeder's premises. The home test furnishes the same data as the station test except that the amount of feed cannot be recorded.

In both test programs the pigs are slaughtered and the carcass data recorded to R.O.P. program specifications. Costs involved in cutting and measuring the carcass are deducted from revenue derived from the sale of the carcass in the case of the station test and are obtained from the breeder in the case of the home tests. The federal department processes and publishes the data. These data have been fundamental for the development of breeder programs for the improvement of hog quality. About 1,000 breeders have been participating in the program. About 1,800 are on the mailing list for results of the tests which are published weekly, monthly and annually.

Ram Classification Policy - (Before 1951 this policy was called the Ram Grading Policy.) Purebred rams to be sold for breeding purposes are graded according to prescribed standards of type and breed characteristics, by employees of the federal Department of Agriculture. The program was designed to set quality standards for sires and enable flock owners in outlying districts to purchase breeding rams by mail order. In recent years, it has been used almost exclusively to service sire purchase assistance programs. Although federal government participation in premium policies has been terminated, the grading program is continued in those provinces where it is a basis for provincial premiums.

Hog Quality Premiums - The payment of quality premiums for bacon hogs was instituted in 1944. The objective was "to maintain the production of hogs of a quality suitable to meet domestic and British requirements and to encourage the channelling of such hogs through inspected plants where their product would be available for export to the United Kingdom". After 1950 the U.K. market was more or less closed to Canadian pork products (restrictions were almost wholly removed in April 1967). However, the payment of premiums for quality was continued "to encourage the production of top quality, lean pork required in both the domestic and foreign markets". Before October 1960 premiums were paid for both "A" and "B" grade carcasses. As of that date, premium payments were discontinued for "B" grade carcasses and the premium for an "A" grade was increased from \$2 to \$3. The premium rate remained at this level until April 1, 1968 when it was reduced to \$2, except for a short period in 1962-63 when it was also set at \$2.

Following introduction of the premium program in 1944 the proportion of hogs marketed grading "A", increased from 30 per cent to 34 per cent in 1945 and remained about that level until 1951 (Table 3). In 1952 the proportion of Grade A carcasses decreased to 30 per cent and continued decreasing to become only 27 per cent in 1954. A slow increase started in 1955 and the proportion of "A"s reached 32 per cent of marketings in 1960. In 1961 the proportion of carcasses grading "A" increased to 34 per cent and continued to increase to reach 42 per cent in 1966 and 1967. This increase coincided with the increase in the premium paid for an "A" carcass beginning in October 1960, but it also occurred during a period when a large number of farmers stopped producing hogs as a sideline enterprise



TABLE 3.- HOG MARKETING<sup>a</sup>/PERCENTAGE GRADE A, BY PROVINCE, CANADA, 1944 TO 1967

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
						- per cent -					
1944	29.8		42.5	33.4	34.6	28.7	37.8	25.6	28.7	25.8	35.0
1945	33.8		46.8	40.5	38.9	34.8	41.3	28.0	30.5	28.8	35.4
1946	34.3		47.2	44.8	37.5	33.2	43.0	27.8	30.7	24.9	30.8
1947	33.9		51.8	37.4	38.3	29.9	41.8	27.2	29.1	23.8	27.0
1948	33.4		52.5	40.0	36.9	29.4	41.1	27.8	28.9	24.5	30.0
1949	32.7		54.5	43.3	39.0	30.3	38.9	24.1	26.0	23.6	29.0
1950	33.9		53.6	41.7	36.3	32.6	38.7	25.2	27.7	26.6	31.1
1951	33.1		55.4	45.5	40.0	31.9	36.8	26.1	28.0	26.9	32.8
1952	30.2		51.5	41.9	36.2	29.7	34.7	24.8	25.6	22.8	31.4
1953	28.5		53.4	46.1	40.2	31.0	33.2	24.2	25.0	21.0	31.0
1954	27.3		55.6	48.8	43.0	30.8	31.0	25.0	24.3	19.4	25.9
1955	28.5		54.1	48.6	42.4	29.8	33.1	29.2	29.0	20.0	25.7
1956	29.9		57.9	52.6	50.0	30.2	34.8	28.6	28.9	21.4	27.5
1957	30.0		55.0	52.3	48.0	29.8	35.2	27.1	29.6	21.7	29.6
1958	30.1		57.6	53.1	49.3	29.8	34.8	29.6	30.5	22.6	28.6
1959	31.0		55.3	51.0	47.8	30.6	35.8	29.0	31.3	23.7	28.2
1960	31.7		54.7	51.7	49.1	32.5	35.7	30.4	33.0	23.4	29.6
1961	34.2		55.6	53.6	50.7	33.0	37.7	31.7	34.0	29.0	33.8
1962	36.3		56.9	51.9	52.1	34.2	37.9	32.9	35.9	35.0	39.8
1963	38.0		57.8	52.9	52.1	36.2	39.0	34.5	38.8	36.8	41.8
1964	39.0		59.8	57.0	53.7	35.8	41.0	37.7	39.6	36.3	42.5
1965	41.1	61.9	57.2	56.9	57.3	38.1	42.6	38.0	41.5	40.3	43.7
1966	42.0	59.3	55.7	57.4	56.2	39.4	43.3	35.5	42.3	42.8	43.0
1967	42.2	62.3	55.6	57.6	54.8	40.5	44.4	37.3	41.5	40.2	41.6
1944-48	33.0		48.2	39.2	37.2	31.2	41.0	27.3	29.6	25.6	31.6
1949-53	31.7		53.7	43.7	38.3	31.1	36.5	24.9	26.5	24.2	31.1
1954-58	29.2		56.0	51.1	46.5	30.1	33.8	27.9	28.5	21.0	27.5
1959-63	34.2		56.1	52.2	50.4	33.3	37.2	31.7	34.6	29.6	34.6
1964-66	40.7		57.6	57.1	55.7	37.8	42.3	37.1	41.1	39.8	43.1

<sup>a</sup>/ Excludes sows and stags.

Source: Livestock Market Review, Annual, Markets Information Section, Production and Marketing Branch, Canada Department of Agriculture.

and production became more concentrated in large specialized units, presumably using better breeding and management practices than many of the small producers who had gone out of business. Since 1955, there has been a difference in price between "A" and "B" grades of \$1 per 100 pounds of dressed weight. With a \$3 premium for an "A" and no premium for a "B", the difference in revenue between the two grades is \$4.50 a hog (Table 4).

On a regional basis Western Canada has had the greatest improvement in hog quality, Grade A carcasses increasing from about 27 per cent of marketings before 1950 to more than 41 per cent in 1966. However, significant increases did not occur in this region until after 1960. The Maritime Provinces traditionally have produced the highest percentage of hogs in the Grade A category, fluctuating between 51 and 57 per cent since 1960. On a provincial basis, Prince Edward Island has led the way, starting from a base of 43 per cent in 1944 it has had 57 per cent of its hogs marketed in this grade since 1964.

In each of the years 1964-65, 1965-66 and 1966-67 hog quality premiums cost the federal government over \$8 million (Table 5). In 1966-67 the total was \$8.9 million, more than 2 per cent of total farm cash receipts from hogs. From the institution of this program to the end of 1966-67, \$157.5 million had been paid in quality premiums.

Lamb Quality Premiums - The lamb quality premium program which became effective August 4, 1961 was a part of a three part program to aid Canada's sheep industry, the other two parts being price support programs for lamb and wool. The objective of the quality premium program was to encourage production of better quality lambs and at the same time increase producers' returns and thereby keep the industry in a reasonably sound position.



TABLE 4.- HOG PRICES, DRESSED PER HUNDRED POUNDS AT TORONTO, ANNUAL EXCLUDING PREMIUMS, AND DIFFERENCE IN REVENUE FROM GRADE "A" AND GRADE "B" HOGS, 1940 TO 1968

	Grade "A" Price per 100 Pounds	Discount for Grade "B" per 100 Pounds	Grade "B" Price per 100 Pounds	Grade "A" Premium per Hog	Grade "B" Premium per Hog <sup>a/</sup>	Difference in Premium per Hog	Difference in Revenue from Grade "A" and Grade "B" Hog <sup>b/</sup>	Per- centage Grading "A"
	- dollars -							per cent
1940	11.82	.40	11.42	-	-	-	0.60	
1941	13.66	.40	13.26	-	-	-	0.60	31.5
1942	16.09	.40	15.69	-	-	-	0.60	29.9
1943	17.27	.40	16.87	-	-	-	0.60	27.9
1944	17.65	.40	17.25	3.00	2.00	1.00	1.60	29.8
1945	18.30	.40	17.90	3.00	2.00	1.00	1.60	33.8
1946	20.25	.40	19.85	2.00 <sup>c/</sup>	1.00 <sup>c/</sup>	1.00	1.60	34.3
1947	22.44	.40	20.04	2.00	1.00	1.00	1.60	33.9
1948	30.36	.40	29.96	3.00	1.00	1.00	1.60	33.4
1949	30.60	.40	30.20	2.00	1.00	1.00	1.60	32.7
1950	29.38	.40	28.98	2.00	1.00	1.00	1.60	33.9
1951	33.25	.40	32.85	2.00	1.00	1.00	1.60	33.1
1952	26.10	.40	25.70	2.00	1.00	1.00	1.60	30.2
1953	30.80	.40	30.40	2.00	1.00	1.00	1.60	28.5
1954	31.25	.84 <sup>d/</sup>	30.40	2.00	1.00	1.00	2.20	27.3
1955	26.05	1.00	25.05	2.00	1.00	1.00	2.50	28.5
1956	27.50	1.00	26.50	2.00	1.00	1.00	2.50	29.9
1957	31.05	1.00	30.05	2.00	1.00	1.00	2.50	30.0
1958	29.13	1.00	28.13	2.00	1.00	1.00	2.50	30.1
1959	24.80	1.00	23.80	2.00	1.00	1.00	2.50	31.0
1960 <sup>e/</sup>	24.75	1.00	23.75	2.00	1.00	1.00	2.50	31.7
1961	28.30	1.00	27.30	3.00	-	3.00	4.50	34.2
1962	29.60	1.00	28.60	3.00 <sup>f/</sup>	-	3.00	4.50 <sup>g/</sup>	36.3
1963	27.80	1.00	26.80	3.00 <sup>f/</sup>	-	3.00	4.50 <sup>g/</sup>	38.0
1964	27.30	1.00	26.30	3.00	-	3.00	4.50	39.0
1965	33.40	1.00	32.40	3.00	-	3.00	4.50	41.1
1966	35.90	1.00	34.90	3.00	-	3.00	4.50	42.0
1967	30.70	1.00	29.70	3.00 <sup>h/</sup>	-	3.00	4.50	42.2
1968				3.00	-	3.00	4.50 <sup>g/</sup>	

a/ Only Grade "B1" is included.

b/ Average carcass weight = 150 pounds. Therefore, 1.5 x price + difference in premium per hog = difference in revenue.

c/ Reduced premium applied in April 1946.

d/ \$0.40 January to March 1954.

\$0.85 April 1954.

\$1 May to December 1954.

e/ October 3, 1960 premium for Grade "A" carcass raised to \$3 and cancelled for Grade "B" carcass.

f/ Grade "A" premium reduced to \$2 between September 4, 1962 and April 1, 1963.

g/ \$3.50 during period when Grade "A" premium was \$2 per hog.

h/ Grade "A" premium reduced to \$2 at April 1, 1968.

[illegible]

Source: Distribution of expenditure based on origin of hogs marketed as reported in Livestock Market Review, Annual, Markets Information Section, Production and Marketing Branch, Canada Department of Agriculture.



It was also to assist in maintaining a relatively strong competitive position on a quality basis with lamb products from Australia and New Zealand.

The premium rate was first set at \$2 for a Canada Choice Class 1 carcass and at \$1 for a Canada Good Class 1 carcass. Effective July 1, 1962 the premium was extended to Canada Choice Class 2 at \$2 a carcass and to Canada Good Class 2 at \$1 a carcass. The payment of a premium for Good carcasses was terminated at April 1, 1968 and the premium for a Choice carcass was reduced to \$1.

The total expenditure on lamb quality premiums to the end of 1966-67 was \$2.9 million (Table 6). Annual payments have been decreasing from \$595,501 in 1962-63, the first full year of operation, to \$323,903 in 1966-67.

TABLE 6.- FEDERAL GOVERNMENT EXPENDITURES ON LAMB QUALITY PREMIUMS, BY REGIONS, CANADA, 1961-62 TO 1966-67

	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	Total to date
- dollars -							
Maritimes	21,139	26,784	20,424	23,820	20,342	16,717	129,226
Quebec	64,003	74,511	69,511	63,361	50,870	38,133	360,389
Ontario	135,736	164,642	155,791	150,762	131,236	103,100	841,267
Manitoba	87,009	94,811	98,884	83,765	67,265	55,311	487,045
Saskatchewan	15,263	20,006	18,617	14,586	9,672	8,685	86,829
Alberta	80,465	126,080	144,292	126,269	86,722	68,665	632,493
British Columbia	91,813	88,667	77,858	61,632	44,473	33,292	397,735
Canada	495,428	595,501	585,377	524,195	410,580	323,903	2,934,984

Source: Public Accounts, Canada Department of Agriculture.

In spite of programs to reverse the trend sheep numbers in Canada have been declining steadily since 1931, when 18 per cent of all farms reported having sheep compared with only 5 per cent in 1966. Between 1961 and 1966, when the quality premium and price support programs were in effect, sheep numbers in Canada decreased from 1.6 million to 1 million, and farms reporting sheep decreased from 38,528 to 21,453.

Cheese Quality Premiums - The payment of premiums to encourage the production of cheese of high quality was authorized by the Cheese and Cheese Factory Improvement Act of 1939. After 1952 an additional objective was given the program, that is, "to assist the Canadian dairy industry by encouraging the utilization of surplus milk for the production of high quality cheese".

When the program was first introduced only cheddar cheese was eligible for a premium, but at January 1, 1950, premiums were extended to blue-vein cheese of the Roquefort type.

The premium rate was set at 1 cent a pound on cheese scoring 93 and 2 cents a pound on cheese scoring 94 and above. Moneys were paid to the cheese factory, on the basis of premiums earned, for distribution to the suppliers in proportion to their deliveries of milk, from which the cheese was made.

Almost \$29 million was expended on cheese quality premiums from 1939 to 1966-67. Expenditures increased annually from 1955-56 when they were about \$596,000 to 1966-67 when they were \$1.6 million (Table 7). More than 75 per cent of the premiums paid were to cheese factories in the Province of Ontario.

The premium has been credited with having brought about an improvement in cheese quality. However, the improvement took place in the





first few years following introduction of the program and there has been little or no improvement since. When introduced in 1939, about 49 per cent of the eligible cheese graded qualified for premium, in recent years about 70 per cent has qualified (Table 8). With the federal and provincial governments taking action to control milk quality in other ways, the usefulness of the cheese quality premium program diminished and it was terminated at the end of March 1968.

### Federal-Provincial Activities

Record of Performance Testing for Purebred Beef Cattle - This joint federal-provincial program was instituted in 1956, to evaluate the performance of beef animals and thereby identify superior performing breeding stocks. The overall program is under the guidance of a national advisory board comprised of representatives of the federal department of agriculture, provincial departments of agriculture, each of the national breed associations, the commercial beef industry and the Canadian Association of Animal Breeders.

The program includes three types of performance testing. A brief description of these follows:

1. A herd test which is carried out on the breeder's premises and involves the weighing of all calves at weaning and at approximately one year of age, under supervision of provincial government representatives. In all provinces the provincial department of agriculture is responsible for providing officials and equipment to weigh the calves. The federal government is responsible for recording and processing the data. In some provinces participating breeders pay a nominal fee. All provinces



TABLE 8.- CHEESE GRADINGS: DISTRIBUTION BY GRADE, 1938 TO 1967

Year	Quantity Graded	Per Cent First Grade	Per Cent 94 Score	Per Cent 93 Score	Per Cent 94 and 93 Score	Per Cent 92 Score	Average Score
- number of boxes -							
1938	1,228,781	91.96	1.90	33.73	35.63	56.33	92.069
1939	1,298,031	91.72	3.86	45.20	49.06	42.66	92.203
1940	1,554,377	94.54	12.75	50.16	62.91	31.63	92.566
1941	1,576,903	95.91	27.38	48.42	75.80	20.11	92.901
1942	2,290,196	93.68	21.17	44.86	66.03	27.65	92.661
1943	1,773,911	95.02	23.18	47.76	70.94	24.08	92.767
1944	1,956,300	94.03	23.64	44.84	68.48	25.54	92.708
1945	2,036,060	93.80	23.71	44.55	68.30	25.54	92.689
1946	1,549,273	93.38	23.55	42.78	66.33	27.05	92.656
1947	1,266,907	92.62	20.04	41.94	61.98	30.64	92.556
1948	930,741	93.17	26.82	39.10	66.66	26.50	92.710
1949	1,181,706	93.59	24.31	41.58	65.89	27.70	92.672
1950	1,031,692	92.76	25.37	39.58	64.95	27.81	92.646
1951	915,182	92.96	28.18	37.91	66.09	26.87	92.715
1952	684,379	93.07	18.72	43.82	62.54	30.53	92.565
1953	737,431	94.51	22.67	45.04	67.71	26.80	92.744
1954	838,040	94.04	26.36	41.23	67.59	26.45	92.762
1955	802,439	94.42	30.36	39.07	69.43	24.99	92.825
1956	845,229	94.44	29.42	40.60	70.02	24.42	92.826
1957	1,015,175	91.06	28.43	36.81	65.24	25.81	92.631
1958	952,344	91.63	26.45	40.58	67.03	24.61	92.649
1959	1,083,490	89.95	20.77	39.49	60.26	29.71	92.523
- number of pounds -							
1960	106,289,509	89.76	22.07	39.63	61.70	28.06	92.505
1961	106,214,875	89.22	20.74	38.89	59.63	29.60	92.507
1962	104,985,706	90.55	22.40	42.07	64.47	26.07	92.623
1963	128,875,163	88.92	23.02	40.74	63.76	25.16	92.532
1964	137,119,269	91.40	20.66	44.34	65.00	26.40	92.626
1965	149,144,193	93.50	27.77	43.17	70.94	22.56	92.802
1966	156,964,332	92.27	30.03	42.01	72.04	20.23	92.786
1967	149,686,778	91.70	27.76	41.29	69.05	22.65	92.659

Source: Dairy Products Division, Canada Department of Agriculture.

except Ontario, Prince Edward Island and Newfoundland participate in the herd test program. The Province of Ontario has its own performance testing program of which a herd test is a part.

Participation in this program has shown steady growth since its inception. In 1967-68 there were 425 herds on test, up from 229 in 1963-64.

2. Station testing of bull calves was added to the R.O.P. program in 1965. Selected bull calves are assigned to test stations operated either by the provincial department of agriculture or an agency under its supervision, where records of feed consumed and weight gained are maintained. Participating breeders pay for all the feeding costs and in some provinces an entry fee. The federal department is responsible for recording the results. In 1967-68, 174 breeders consigned 536 bulls to nine stations across Canada.
3. A sire progeny test in which both live performances and carcass characteristics are examined and recorded for a group of consigned steers, which are the progeny of the sire being evaluated. These tests are carried on under arrangements that are the same as for the station testing of bull calves, except that in some instances the federal government advances the cost of feeding to participating breeders to avoid out-of-pocket expenses. The funds advanced are fully recovered from the revenue derived from the sale of the carcass upon completion of the test. A grant of \$25 per steer to cover yardage and administration costs is provided by the federal department to the participating breeders.



In 1967-68, 22 commercial cattlemen and artificial insemination units in British Columbia, Alberta, Saskatchewan and Nova Scotia consigned 325 steers representing 29 sire progeny tests to four test stations.

National Poultry Improvement Program - A national program to improve the quality of both eggs and poultry meat was inaugurated in 1919. This national breeding program is carried out in three phases: a pedigree selection program on the breeder's farm; random sample tests on the breeder's farm; and a central testing program in which random samples of stock, hatched and reared in a similar environment, are compared for egg and meat production.

Provincial governments co-operate in the program on a cost-sharing basis by providing antigen and equipment to test all birds for pullorum that are enrolled in the program. Breeders contribute a specified amount of these costs on a per bird basis to the provincial governments. The federal government levies an annual fee of \$20 on each breeding premise. Assistance is provided the breeders in the form of technical help and husbandry assistance by the federal Department of Agriculture.

During the period 1954-59 about 140 breeders were testing from 15,000 to 24,000 birds a year under this program. During 1965-67 an average of 18 breeders tested from 65,000 to 73,000 birds annually. In 1966-67, 11 breeders of egg production stocks, 6 turkey breeders and 3 broiler breeders took part. Progenies from this breeding program are distributed in more than 50 countries.

Freight Assistance on Breeding Ewes - The objective of this joint federal-provincial program is to assist sheep producers in sheep deficit areas obtain ewes and ewe lambs for breeding purposes. The federal government

will pay a provincial government an amount not exceeding half of the actual transportation costs of moving commercial ewes and ewe lambs to be retained for breeding purposes within Western Canada, from Western to Eastern Canada, and from Quebec to the Atlantic Provinces or Ontario. The provincial contribution varies among provinces. In Quebec the total assistance paid by the two governments is 100 per cent of the freight for ewe lambs but only two-thirds for ewes. In Manitoba, Saskatchewan and British Columbia the total assistance is two-thirds of the freight charges on both ewes and ewe lambs, and in Alberta it is 80 per cent.

Shipments eligible for transportation assistance must have been purchased by actual producers for breeding purposes, each shipment must contain at least 100 ewes or ewe lambs, the animals selected must be approved by the provincial department of agriculture, and the shipping distance must be not less than 200 miles by the shortest route. The first 100 ewes in a shipment must be distributed in lots of not less than 25 ewes.

First approved in November 1960 for a period of five years the program has received two three-year extensions, the latest was approved on March 28, 1968. The total number of ewes moved under the program to the end of 1966-67 was 32,760; assistance paid by the federal government totaled \$31,374 (Table 9).

Brucellosis Control - The federal and provincial governments have co-operated in a program to control brucellosis, or Bang's Disease, since 1950. Under this joint agreement, the federal government purchases brucellosis vaccine and distributes it on request to the provincial department of agriculture which in turn distributes the vaccine through veterinary practitioners in the province, and provides identification in the form of tags and certificates

TABLE 9.- TRANSPORTATION ASSISTANCE ON BREEDING EWES: NUMBER MOVED AND AMOUNT OF ASSISTANCE PAID BY THE FEDERAL GOVERNMENT, 1961-62 TO 1966-67

	Destination					
	British Columbia	Saskatchewan	Manitoba	Ontario	Quebec	Total
<hr/>						
<u>Number Moved</u>						
1961-62	600	1,267	119	7,055	2,317	11,358
1962-63	1,203	300	400	1,224	500	3,627
1963-64	1,519	1,176	152	2,139	300	5,286
1964-65	905	530		5,036		6,516
1965-66	301	1,196		2,146		3,643
1966-67	605	100		1,625		2,330
<hr/>						
Total						32,760
<u>Assistance Paid</u>	- dollars -					
1961-62	325	442	67	6,696	3,275	10,804
1962-63	549	111	190	1,298	1,261	3,409
1963-64	1,281	536	89	2,219	700	4,025
1964-65	643	357		5,467		6,467
1965-66	213	726		2,515		3,454
1966-67	450	43		2,722		3,215
<hr/>						
Total						31,374

Source: Livestock Division, Canada Department of Agriculture.



for the purpose of recording the calves vaccinated. The cost to the federal government of the vaccine supplied in 1964-65 was \$350,000; in 1965-66, \$278,000, and in 1966-67, \$223,000.

In the brucellosis vaccination program the livestock owner may have his calves vaccinated at the expense of the province or without this legislation at his own expense. In the Province of Manitoba, veterinarians are responsible for vaccinating all female calves between the ages of four and nine months. The provincial government subsidizes the program at the rate of \$0.50 for every female calf vaccinated. Some rural municipalities in Manitoba subsidize the farmer for having vaccination done, in which case the rural municipality gets the subsidy. In other municipalities, the producer receives the benefit through a lower veterinary charge. Some of the provincial departments of agriculture have considered brucellosis to be sufficiently well controlled to reduce their grants for vaccination. Manitoba and Saskatchewan reduced their assistance payments in recent years, and British Columbia terminated its services under the free calfhoo vaccination scheme following designation of the province as a Brucellosis Certified Area in 1966.

In 1957, the federal government's Brucellosis Control Area Regulations came into effect, the objective of which was to eradicate brucellosis from Canada's cattle population. At the request of a provincial Minister of Agriculture, areas such as counties or districts were established as Brucellosis Control Areas by order of the federal Minister of Agriculture. In such an area, all susceptible cattle must be tested. Testing of animals was done by veterinarians of the federal Department of Agriculture; reactors were ordered slaughtered and compensation was paid to the owner.

All cattle in Canada have been tested for brucellosis, the first general test having been completed in September 1966. At that time, 194,000 infected animals had been slaughtered and \$14 million compensation had been paid.

Losses from brucellosis had virtually ceased by the end of 1966; compensation in the fiscal year 1966-67 totaled \$532,445 in comparison with \$1.4 million in 1964-65.

### Provincial Activities

Programs related to livestock production common to all provincial governments are those concerned with animal health. However, most provincial departments of agriculture are also actively engaged in performance-testing programs, usually in co-operation with the federal government. Livestock purchase, transportation and placement assistance for farmers in outlying areas are provided by some provincial governments.

The development of disease control services has been a major activity of provincial governments in the area of livestock industry assistance. The usual procedure has been the establishment of veterinary districts and boards which receive grants and support from the provincial government to assist in obtaining the services of one or more veterinarians. In spite of this assistance, most provinces report difficulty in obtaining and retaining veterinary protection. For example, the Province of Saskatchewan has more than 50 such veterinary service districts, a number of which are usually without veterinary service. In this province, the grants to districts are based on township area and are scaled from a minimum of \$1,000 to a maximum of \$2,000 for one man and up to \$3,000 for

two men serving the same district on a partnership arrangement. Payment of the grant is contingent upon the district contributing an equal amount. To provide veterinary assistance in areas of Manitoba where it is difficult to retain practicing veterinarians, that province will grant a veterinary service district up to \$1,800 a year to help cover transportation costs of the veterinarian.

Laboratories to provide diagnostic services to the livestock industry have been established by almost all provincial governments. The Province of Saskatchewan completed a new diagnostic laboratory at Regina in 1968.

A number of provinces have special programs to assist dairy farmers reduce the incidence of mastitis, some to prevent and control swine diseases. Blood testing and inspection of hatchery supply flocks are done in all provinces to control pullorum and typhoid diseases in chickens and turkeys. A number of provinces have legislation regulating the disposal of dead animals. Inspection and regulatory services of the provincial departments of agriculture usually include the inspection and licensing of livestock auction markets, to prevent the spread of infectious diseases through public markets and to protect the home herds of purchasers.

Dairy herd improvement is emphasized in all provinces. Dairy herd improvement associations receive support from provincial governments in the form of technical advice and assistance, and oftentimes, financial support. The Province of Manitoba, for example, provides an annual grant of \$1,800 to each association in that province, to assist in paying the salary of a technical supervisor. Cows in herds of members of such associations have a



much higher average production than cows in non-members herds. In 1966, the average production of the 18,116 cows tested in the Alberta Cow Testing Service was 10,547 pounds compared with the provincial average production of 6,580 pounds.

Some of the other programs used by provincial governments to encourage improvement and growth in the livestock industry, are described in the following:

Sire Purchase Policies - Purebred sire purchase assistance policies have been used in all provinces to encourage the use of good quality sires. The Province of Manitoba ceased paying purebred sire premiums in recent years and some other provinces are phasing out their policies.

Ontario, Quebec and Alberta are among the provinces that continue to pay assistance towards the purchase of purebred rams, boars and bulls. The objective of Ontario's boar premium policy is to encourage the use of good type boars whose sires and dams have been tested under the R.O.P. policy for swine and have proven their ability to produce top quality carcasses. The amount of the grant ranges from \$20 to \$30 based on the "record" of the dam, and is increased by \$5 where the sire meets certain qualifications. A farmer is eligible for one premium only in any year. In 1964-65, grants totaling \$36,660 were paid on 1,226 boars; in 1966-67 the grants totaled \$60,340 on 1,994 boars.

The Province of Quebec has a number of policies to encourage the use of purebred sires. The objective of its policy of assisting the purchase of purebred bulls is to facilitate the procurement of bulls of high quality for farmers who do not have ready access to artificial insemination. The subsidy is applicable to beef and dairy breeds and

ranges from \$20 to \$75 a head, depending on the classification of the bull. A period of 30 months must elapse before the farmer may obtain assistance for another bull purchase. The bull must be kept on the farm for at least two years. In 1965-66, grants totaling \$56,130 were paid on 1,837 bulls; in 1967-68 the grants totaled \$52,085 on 1,706 bulls.

Under its Sheep Improvement Policy, the Province of Alberta provides assistance to purchasers of purebred rams for commercial flocks. The grant, which is \$10 on Grade B rams and \$15 on Grade A rams, was paid on a total of 293 rams during the three years 1965 to 1967.

Breeding Female Purchase Policies - Policies providing financial assistance for the purchase of breeding females appear to be used little outside of Quebec. The Province of Saskatchewan has an ewe lamb purchase policy, which was instituted in 1966 in an effort to prevent some of the province's best ewe lambs from going to market for slaughter. The lambs are purchased by livestock specialists and assembled for resale to producers at cost. Between 1959 and March 31, 1968, the Province of New Brunswick paid a premium of up to \$75 a head on approved dairy females purchased, with a maximum of 12 head for any one farmer.

To assist in the establishment of herds of high quality, the Quebec Department of Agriculture has subsidized the purchase of purebred heifers since 1931. Assistance is available for the purchase of at least four registered heifers the first year and of at least two in each of the four succeeding years. The subsidy is at the rate of \$25 per heifer to a maximum of \$200 per farmer in one year. Registration certificates are required for all heifers and all must be of the same breed. Recognized registered breeders are excluded from participation. During the three years 1964-65

to 1966-67, a total of \$93,350 was paid in purchase assistance for 3,734 heifers. The number of farmers receiving assistance was 341 in 1964-65, 276 in 1965-66 and 257 in 1966-67.

The Quebec Department of Agriculture also subsidizes, since 1931, the group purchase of grade heifers, to assist in establishing dairy herds in outlying districts. The assistance, which is limited to two heifers per farmer, consists of payment of the purchase price in excess of \$25 per animal plus the transportation costs from a central point of shipment to a central point of reception. From 1964-65 to 1966-67, assistance of \$108,957 was paid for 3,077 heifers.

Assistance to Breeders - A number of provinces assist in the establishment and maintenance of outstanding breeder herds to provide a source of above average breeding stock for both purebred and commercial breeders. In Manitoba, purebred swine breeders whose herds of more than five breeding females on R.O.P. test score at least 10 per cent above the all-breeds provincial average are eligible for Elite R.O.P. Breeder status. Breeding stock from these herds are sold as certified stock. To aid the breeder in herd development, the Manitoba Department of Agriculture and Conservation will provide financial assistance on three quality groups: Class 1 will receive \$15 per qualifying animal, Class 2, \$10 and Class 3, \$5.

To encourage the testing of pigs under the federal R.O.P. testing program the Alberta Department of Agriculture pays a bonus of \$40 for each sow qualifying with a score of 77 to 79, and \$50 for each sow with a score of 79.1 or better. The bonus was paid on 80 sows in 1965, 172 in 1966 and 180 in 1967. This policy is to be phased out in 1969.



The Province of New Brunswick pays breeders of approved gilts \$20 for "AAA" gilts and \$15 for "AA" gilts at time of sale, provided the gilts are sold to breeders at prices equivalent to that of market hogs.

The objective of the Ewe Grading Policy of the Province of Newfoundland is to encourage sheep producers to select and maintain good quality breeding ewes. Any five members of a Registered Sheep Breeders' Association who own a total of 50 or more breeding ewes may participate if they present a minimum of 20 ewe lambs for grading, or an individual who owns 50 or more breeding ewes and who offers a minimum of 10 ewe lambs for grading may participate if he is so located that he is unable to join a regular Sheep Breeders' Association. Ewe lambs selected and approved by the Department of Mines, Agriculture and Resources are eligible for a bonus of \$1 each, and if selected and approved the following year are eligible for a further bonus of \$4.

Quality Premiums - Quality premiums are used by the Province of Quebec and some of the Atlantic Provinces to encourage improvement in the quality of livestock produced. On April 1, 1965 the Quebec Government instituted quality premium programs for lambs and hogs. The premium for lambs is \$3 for a Canada Choice Class 1 or 2 carcass, and \$2 for a Canada Good Class 1 or 2. The producer must operate a farm of at least 10 arpents and the lambs must be slaughtered and graded under the Canada Agricultural Products Standards Act. In 1965-66 the premium payments on lambs totaled \$22,496 and in 1966-67, \$25,604. The premium rate on hogs is \$3 for each carcass grading Canada Grade A. A farmer may not receive the premium on more than 100 hogs in one year. Quality premium payments on hogs totaled \$645,831 in 1965-66 and \$1,123,396 in 1966-67.

The provinces of Nova Scotia and New Brunswick pay premiums for quality hog carcasses. New Brunswick also has a beef premium policy under which the provincial Department of Agriculture pays a premium of \$10 a head for top grades of steers and heifers sold at licensed auction sales or at packing plants with grading facilities.

Swine Housing Assistance Policy - Under this policy of the New Brunswick Department of Agriculture, financial assistance consists of a grant amounting to 30 per cent of the construction costs for swine housing facilities. To be eligible, producers must construct adequate facilities for a minimum of 25 sows or 160 feeder hogs. In a combined operation, the minimum size must accommodate at least 15 sows and 125 feeder hogs. Maximum assistance to any one individual is set at \$4,000 payable only after the buildings are completed and in operation.

Herding of Sheep Policy - To encourage improvement in the care and management of sheep and in utilization of sheep grazing resources, the Government of Newfoundland assists sheep breeders with 100 ewes or more pay herding costs. Assistance is provided at the rate of 50 per cent of the herding cost to a maximum of \$1 for each ewe and \$0.50 for each lamb. The flock must be under the supervision of a certified shepherd for a period of seven months and be maintained in an approved manner and place.

Pest Control - A number of provinces assist farmers in controlling animal pests such as worms, lice and warble flies. The assistance programs usually are carried out in co-operation with the municipal governments and consist of providing chemicals and equipment for control at cost, along with technical advice and assistance. Financial assistance for

warble fly control programs is provided by the governments of Alberta and Ontario. A stated objective of the Alberta policy is to "exterminate the warble fly through community action". Under the province's Agricultural Pests Act the warble fly is designated a pest requiring control by cattle owners and municipalities. The legislation provides for technical assistance and grants to municipalities for sprayers and pesticides, and organization costs for warble control areas. In 1965 the grants totaled \$1,415, in 1966, \$1,714 and in 1967, \$4,808. The objective of the Ontario Warble Fly Control Act is to reduce the economic loss caused by this insect; a loss which was estimated at \$4 million to \$5 million annually in Ontario previous to institution of the program in 1952. Previous to 1965, the Ontario program provided for assistance to municipalities of 50 per cent of the cost of material purchased and 50 per cent of the salaries and expenses of inspectors. Because of the increasing use of systemics the provincial contribution towards the cost of materials was withdrawn in 1965. The Ontario Government's contribution to the warble fly control program totaled \$73,000 in 1964-65, \$72,850 in 1965-66, and decreased to \$42,278 in 1966-67.

Predator Control - Although it may vary somewhat in form, legislation to provide for the payment of compensation to farmers for livestock killed or injured by dogs is common. Some provinces have a specific act regarding sheep while others have a general livestock protection act. The legislation usually requires the licensing of dogs by municipalities, from which is established a fund for compensation payments. Some provinces have programs to encourage control of predators such as wolves, coyotes, bears, foxes and magpies. The program may consist of providing bait and traps, or a bounty for animals killed.



### CROP IMPROVEMENT

One of the earliest forms of government assistance to farm settlers was the supplying of seeds for sowing. Seed production and distribution are still among the programs used to improve crop production. Disease and pest control have been continual problems and for many years all governments have made large expenditures on their control. Government programs have helped establish a wide variety of crops in Canada.

More than 108 million acres of land have been improved for crop production, about 70 million acres are seeded each year. The crops grown include a wide variety of fruit, vegetable and oilseed crops, tobacco, corn, potatoes, as well as wheat, oats, barley and rye. Farm cash receipts from crops totaled \$1,837.8 million in 1967, about 40 per cent of the total receipts from farming operations. In terms of dollar value, about 80 per cent of our agricultural exports are made up of products of plant origin.

### Federal Activities

Federal government programs to assist in the improvement of crop production cover a wide range of activities. As well as its extensive research program, the Department of Agriculture assists in the control and eradication of diseases, breeds and distributes new seed varieties, and regulates the quality of some of the major inputs of farm production.

Pedigreed seed crops are inspected for varietal purity for registration or certification. New seed varieties are licensed for sale. Seed offered for sale at retail outlets is inspected for compliance with established grade standards. Checks are made on the composition, labelling and packaging

of inputs of production such as feeds, fertilizers and pesticides to ensure safety and usefulness, and to keep unsatisfactory products from reaching the market.

The importation of plants and plant products is controlled to prevent the importation of insects and diseases not widely distributed within Canada. Imports of living insects and disease organisms for research and educational purposes can be made only under permit. Plants and plant products being exported are inspected to ensure that they meet established standards and the phytosanitary requirements of importing countries. Flour mills, terminal elevators, warehouses and ships that are loading export cargoes of Canadian grain and grain products are inspected, and when required fumigation is supervised. Eradication programs involving quarantines and treatment of infected areas are used to restrict the spread of insects and other pests within Canada.

Activities of the federal Department of Agriculture related to crop production, including activities related to plant protection, cost more than \$2.5 million annually.

Pedigreed Seeds - The national pedigreed seed program is operated jointly by the Canadian Seed Growers' Association and the Canada Department of Agriculture. The CSGA is the official pedigreeing agency and has the responsibility for setting crop standards, maintaining pedigree records, and issuing crop certificates. The Department of Agriculture makes annual grants to this national association of farmers who specialize in the production of registered seed. In recent years the grant has been \$44,000 annually. The growers associated with CSGA multiply for commerce, foundation seed stocks which may be the product of federal and provincial experimental stations or

private growers. The federal Department of Agriculture further assists in this national pedigreed seed program by carrying out the necessary field crop inspections.

Organization for Economic Co-operation and Development Herbage Seed Scheme -

The Canada Department of Agriculture is the designated authority for the implementation and operation of this program in Canada. The objective of the Scheme is "to encourage the use of seed of consistently high quality for the improvement of fodder production in participating countries".

It is a unified system whereby participating countries may purchase pedigreed seed from other countries under common pedigree nomenclature and be assured that the seed has been produced according to a given set of standards. It is designed solely for seed moving between participating countries and is not intended for use on seed moving within a participating country.

The O.E.C.D. production program in Canada is carried out mainly in the provinces of Manitoba, Saskatchewan and Alberta.

In 1967, 35 varieties were produced on 12,000 acres from which 2 million pounds were exported.

Federal-Provincial Activities

The federal and provincial governments work in close co-operation in the organizing of programs related to crop production. Much of the work is done under policies jointly supported, particularly in the fields of disease prevention and control, pest control, plant inspection, and seed multiplication programs. In some instances field personnel of both governments work closely together, in others the federal government will provide funds but the operation and administration of the program will be up to the



province concerned. For example, personnel of the departments of agriculture of Canada and British Columbia worked closely together in the recent program to eradicate the golden nematode from British Columbia. The federal department is sharing with Ontario and Quebec the costs of eradicating the common barberry bush from these provinces. Between 1943 and 1967 the federal government joined with British Columbia and the provinces east of Manitoba in subsidizing the cost of limestone for agricultural use.

Agricultural Limestone Subsidy - Large areas of land in British Columbia and the provinces east of Manitoba require lime before fertilizer can be effective. Some provinces have encouraged the use of limestone for soil amendment by subsidizing costs of production or transportation or both since the early 1930's.

During the early 1940's many lime plants closed because of labor shortages, high operating costs and price ceilings on sales. This resulted in a shortage of limestone for agricultural use at a time when high food production was a requisite. As part of an overall policy to encourage increased production of agricultural products the federal government in 1943 agreed to share with these provinces the costs of subsidizing the extraction and transportation of lime. After June 1948 federal government sharing was on the costs of transportation only. Periodic amendments to the legislation changed the amount of subsidy payable. Effective March 4, 1958, the federal contribution was set at up to 60 per cent of the annual expenditure of an eligible province on any "direct activity which increased use of lime for soil amendment." In 1962 this was made subject to a total yearly contribution of \$1,608,900, with a maximum allotted to each eligible province. In its operation the provincial governments paid the subsidy and claimed from the federal government the agreed share of the expenditure.

The federal government withdrew its support from this program after March 31, 1967, as part of its policy to withdraw from certain programs that were "regarded as being well established and within the financial capabilities of the provinces, taking into account the additional resources to be made available through equalization and the other fiscal transfers from the federal government to the provinces".

In the early 1940's an estimated 275,000 tons of agricultural lime were used annually. Following the federal-provincial agreement on a subsidy, utilization increased and in 1946-47 the subsidy was paid on 422,000 tons. Between 1946-47 and 1956-57 the amount of lime on which subsidy was paid each year under this agreement ranged from 347,000 tons to 494,000 tons. In some years the amount of money allocated to the subsidy program by the federal government was not enough to cover the applications, indicating that more lime was being used than that on which the subsidy was paid. After 1954-55, the number of tons on which the subsidy was paid increased each year to a total of 1.7 million tons in 1963-64, after which there was some decrease. During the last six years of the program a subsidy was paid on an average of 1.25 million tons a year.

From the institution of this federal-provincial program in 1943 to the end of 1966-67, subsidies paid by the federal government totaled \$21,337,711 (Table 10). Of this amount \$15 million went to the Province of Quebec, \$1.8 million to Nova Scotia, \$1.8 million to New Brunswick, \$994,000 to Prince Edward Island, \$935,000 to British Columbia, \$663,000 to Ontario, and \$163,000 to Newfoundland.





Although the federal government withdrew its participation, the provinces continue to provide assistance and for this purpose may use moneys received from the federal government in fiscal transfers.

The Province of Quebec has subsidized the purchase of agricultural lime since about 1930. Extraction and transportation costs are both subsidized. The quarry is paid assistance at the rate of \$2 a ton for lime in bags and \$1 a ton for lime in bulk. The cost of hauling lime from the quarry to the farm is subsidized at varying rates, depending upon the method and distance of transport, to a maximum of \$2.50 a ton. In 1966-67, transportation assistance was paid on 1.1 million tons of limestone. The cost of extraction and hauling of marl is also subsidized; extraction assistance is at the rate of \$1.50 a ton and transportation assistance at up to \$13 an acre or \$130 per farm. In 1966-67, assistance was paid for extracting 145,473 tons of marl, and for hauling 101,444 cubic yards.

Assistance on the transportation of agricultural lime was instituted in Ontario in 1936. In Southern Ontario the transportation assistance available is 75 per cent of the freight up to \$3 a ton on carlot shipments, and five cents per ton mile one way from quarry to farm to a maximum of \$3 a ton on truck loads. In Northern Ontario the provincial government pays the transportation costs by rail freight in excess of \$1 a ton. The minimum amount eligible for assistance in Ontario is five tons. Since 1964 all the agricultural lime in Ontario has been moved by truck. Assistance is paid on 35,000 to 40,000 tons annually.

In Newfoundland assistance has been given in the purchase of agricultural lime since 1935. The government pays the freight in excess of \$2 a ton on lime delivered to the farmer's nearest railway station. About 2,500 tons have been supplied annually in recent years.

Provincial expenditures on lime during 1963-64 to 1966-67 are shown in Table 11.

TABLE 11.- PROVINCIAL GOVERNMENT EXPENDITURES ON AGRICULTURAL LIME, 1964-65, 1965-66 AND 1966-67

	1964-65	1965-66	1966-67
- dollars -			
British Columbia	45,128	43,286	41,706
Ontario	61,053	34,581	56,551
Quebec	2,094,474	1,729,389	2,750,320
New Brunswick	98,285	104,549	107,162
Nova Scotia	75,001	95,866	77,145
Prince Edward Island	83,104	87,012	105,121
Newfoundland	6,921	6,942	11,932

Barberry Eradication - The common barberry bush is the alternate host of cereal rust. Its control is essential if oat losses from rust in Ontario and Quebec are to be reduced. Losses from rust of oats have been estimated at \$6 million annually in Ontario, with a lesser amount in Quebec.

In May 1964 the federal Department of Agriculture and the provinces of Ontario and Quebec signed an agreement to share in the costs of a project to eradicate the common barberry bush. The project was to operate for three years with an estimated total cost of \$1.2 million. In February 1967, an announcement was made that the program would continue in 1967 and 1968.

During the first three years of this program the federal government contributed \$300,301, of which \$268,763 was to Ontario and \$31,538 to Quebec where the barberry bush is less common. The federal contribution was equal to 50 per cent of the expenditure by each province.

Canadian Forage Seed Project - Instituted in 1951, the Canadian Forage Seed Project is a nationally co-ordinated plan designed to encourage the production, distribution and continuity of supply of seed of recommended varieties of forage crops. The project is directed by a committee representing the federal Department of Agriculture, provincial governments, universities, the seed trade and the Canadian Seed Growers' Association. The provincial departments of agriculture are responsible for providing the extension and education programs needed to encourage the use of new varieties and to select growers to produce the various classes of seeds. The Canadian Seed Growers' Association encourages producers to produce the varieties included in the project, and provides services for pedigreeing. The Canadian Seed Trade Association merchandises the seed and assists with a grower education program. The Canada Department of Agriculture underwrites production and administration costs and provides administration facilities. It also assumes the costs of bags, transportation to point of storage and storage charges. Expenditures of the Department are financed from a revolving fund which is replenished from the resale of purchased seed. When the project was established in 1951 an allotment of \$5,000 was made to this fund. No additional funds were added until 1968 when the allotment was increased to \$90,000. The increase was necessary because of an increase in the varieties handled from about 5 at the start to 24 varieties and 16 kinds in 1968.



The Canadian Forage Seed Project acts as the sole agent for the distribution of breeder seed and for contracts with growers for the production of foundation seed. All foundation seed is purchased by the project and resold, on an allocation basis, to growers through the provincial departments of agriculture and the Canadian Seed Trade Association.

### Provincial Activities

All provinces have programs designed to encourage improvement and growth in crop production, and most have a specialized branch or division responsible for these activities. All take a similar approach to improving crop production, that is, by encouraging improvement in the practices and techniques associated with crop production. Campaigns are conducted to control injurious insects, pests, weeds and diseases, and financial assistance may be provided to obtain chemicals and equipment for control measures. For example, a farmer in Quebec may obtain a subsidy for the purchase of a sprayer for fruits, vegetables and weeds, for his own use. The subsidy is applicable to a sprayer costing \$200 or more and is at a rate of 25 per cent on the first \$500, and decreases percentage wise by units of \$500 to 5 per cent on the part in excess of \$2,000.

Provincial departments of agriculture participate in national seed production schemes by assisting in the allocation and distribution of seeds. Seed fairs and demonstrations are held at which various aspects of crop production are discussed and promoted. Field trials are widely used to test varieties, fertilizer response and weed control techniques, serving to investigate practices of local need or interest as well as providing general information.

Crop improvement associations or committees of various types function in all provinces. They attempt to stimulate interest in greater production of high quality plant products, weed, pest and disease control. Such associations are usually financially supported and encouraged by provincial governments. Provincial personnel serve on committees or function as project leaders.

A number of provinces have soil fertility advisory services. Laboratories have been established where farmers may have soil samples tested for a nominal fee, and may obtain advice on kind and rate of application of fertilizer to use for best results.

Weed Control - Most provinces have legislation governing the control of noxious weeds. Such legislation usually requires the owner or occupier of land to destroy noxious weeds and prevent their spread, and provides for the appointment of supervisors to enforce weed control regulations. Provincial government programs related to weed control most often take the form of a subsidy to the municipal governments for wages and expenses of weed inspectors, costs of chemicals and equipment.

The Province of Saskatchewan has the most extensive and costly overall weed control program. Where six or more municipalities (fewer than six if authorized by the Minister of Agriculture) organize into a unit to hire a supervisor for weed control, half of the costs of the wages and travelling expenses are paid by the Department of Agriculture. From 1954 to 1966, the province's share of this program totaled \$83,315; its share in 1966 totaled \$7,283. Under the province's Persistent Perennial Weed Control Program, municipalities may obtain the following assistance: half the cost of chemicals, spraying and labor used in

controlling persistent perennial weeds, the cost of grass seed to a maximum of \$2.50 an acre when its use is recommended, and \$0.50 an acre for certain tillage operations. From 1950 to 1966, the province's share of the costs of this program totaled \$668,377, with an annual cost of between \$24,215 and \$32,104 during the years 1962 to 1966. The province also pays half the cost of high pressure sprayers and equipment purchased by municipalities to a maximum of \$650 per municipality, and \$450 per sprayer. Between 1949 and 1966, 253 sprayers were purchased and the assistance totaled \$85,292.

The provinces of Alberta and Saskatchewan both encourage the seeding of roadsides and ditchbanks. In Saskatchewan, municipalities may receive a maximum of \$24 a mile towards the cost of forage or grass seed for seeding both sides of a road. In Alberta, seed is provided municipalities for seeding roadsides to a maximum of 1,200 pounds a municipality. The Alberta Department of Highways seeds all highway roadsides and sprays weeds on the right-of-way.

In Manitoba, municipalities may receive assistance of up to \$350 a year to purchase chemicals for the control of weeds listed as Class 1 in the Noxious Weeds Act. The Manitoba Weed Control Districts Program is designed to encourage inter-municipal co-operation in controlling and destroying weeds. One or more rural municipalities, with 12 or more townships may organize a weed control district and employ a full-time weed control supervisor. The province will provide 50 per cent of the supervisor's salary to a maximum of \$1,500, 50 per cent of his expenses to a maximum of \$500, and 50 per cent of the salary and expenses to a maximum of \$500 for an assistant supervisor.



To improve the quality of seed sown by farmers the Province of Manitoba will lend up to \$30,000 or half the cost of a seed cleaning plant built by a co-operative organization. Regulations require the interest on the loan to be at least half of 1 per cent above the market interest rate to the provincial government; recently the interest charge has been 1 per cent above the market rate to the government. Construction plans are subject to the approval of the Department of Agriculture.

Weed control programs in the Atlantic Provinces are not as extensive as those in the larger provinces. Nova Scotia passed its Weed Control Act in 1967. For a number of years, Prince Edward Island has assisted farmers purchase herbicides, especially for the control of mustard and wild radish. It has also had a program to eradicate ragweed. Rebates paid by Prince Edward Island to farmers for purchase of herbicides in 1966-67, totaled \$4,684.

Commercial seed cleaning plants are controlled by licensing in most provinces. In Ontario, more than 300 commercial seed cleaning plants throughout the province are licensed under the Weed Control Act.

Disease Control - Provincial government activities related to the control of plant diseases consist largely of inspection and regulatory control. Inspectors check fields, orchards and nurseries to detect disease, and recommend and assist in control measures where necessary. To ensure that diseased or pest infested nursery plant material is not distributed, nurseries are subject to inspection and licensing. In Ontario, the problem of neglected orchards was accentuated by purchases of farms with orchards for eventual urban development by people not interested in agriculture, and to alleviate the problem the legislature passed the Abandoned Orchards

Act in 1966. This Act provides for the removal of neglected orchards in the vicinity of commercial orchards. As in many other activities related to agriculture, federal, provincial and municipal authorities work together in controlling plant diseases. In Alberta, a joint provincial-municipal program is aimed at the control of bacterial ring rot of potatoes; grants to co-operating municipalities totaled almost \$8,000 in 1967. The provinces of Quebec and Ontario have joined the federal Department of Agriculture in a program to eradicate the common barberry bush, a host of cereal rust spores, from these provinces.

Pest Control - Provincial government assistance to farmers in the control of pests varies between regions with the type of crops grown and the pests encountered. In the Prairie Provinces grasshoppers are almost a perennial threat and the provincial governments assist municipalities in financing control programs. To encourage prompt control of grasshoppers when they become a menace to crops, and to provide some assistance to farmers for purchase of recommended insecticides, farmers in Manitoba receive a refund of 50 per cent of the purchase price of recommended grasshopper control insecticides. The maximum assistance is \$30 a quarter section; of this assistance the provincial government pays half and the municipality half. Farmers taking advantage of the policy must treat the road allowance and vacant land surrounding their farms.

In Ontario, British Columbia and the Atlantic Provinces the control and eradication of orchard and vegetable insects are a continuing part of agriculture department activities. In all provinces, when severe outbreaks occur direct assistance of some form is usually provided to the affected producers.

The provinces of Alberta and Saskatchewan have extensive programs to control rats. In Alberta, provincial officers work closely with municipal authorities and residents to carry out control measures. Poison baits are supplied free of charge to residents in areas subject to infestation. Grants and special assistance are available to municipalities to prevent rat migration from Saskatchewan. Since 1962, the Saskatchewan government has paid half of the wages and expenses of field supervisors and pest control officers, bait materials bought by rural municipalities, and miscellaneous expenses associated with organizing and conducting the campaign against rats. The total expenditures by the Saskatchewan Government for rat control from 1962 to 1966 was \$143,300. Annual expenditures ranged between \$31,295 and \$42,113.

Shelterbelts - In the Prairie Provinces, the provincial departments of agriculture provide assistance, usually to municipalities, for the planting of shelterbelts, field or roadside hedges, to reduce soil and snow drifting and facilitate winter travel. In Saskatchewan assistance payments may be made to rural municipalities, local improvement districts, conservation area authorities, field shelterbelt associations and snow plow clubs on the following bases: the full cost of planting and maintaining of trees for field and roadside hedges to a maximum of \$16 per year for three consecutive years beginning with the planting year, half the cost of tree planting machines to a maximum of \$400 per machine, and half the cost of a grass-legume mixture for seeding the area between the roadside hedge and field margin. Between 1950 and 1966 almost 6,000 miles of trees were planted at a cost to the provincial government of \$201,835. From 1952 to 1966, 122 tree-planting machines were purchased under the assistance program, the provincial share of the cost was \$40,760.



Trees are provided free of charge by the Prairie Farm Rehabilitation Administration Tree Nursery of the Canada Department of Agriculture, Indian Head, Saskatchewan, to the three provinces. The Province of Alberta operates a tree nursery at Oliver and provides most of its requirements from there.

Chemical Fertilizer Subsidy - Some provincial governments subsidize the purchase by farmers of chemical fertilizers, to encourage an increase in its use. The Quebec Department of Agriculture will pay the transportation costs in excess of \$2 a ton, up to a maximum of 5 tons per farmer. In 1966-67, 31,984 farmers received this assistance. A farmer with a minimum of 10 arpents may receive a subsidy of 30 per cent of the purchase price of fertilizer to a maximum of \$100 a year. More than 52,400 farmers received a total of \$3.5 million under this program in 1966-67. In 1965, the Nova Scotia Department of Agriculture introduced a policy to encourage the purchase of increased quantities of fertilizer for use in the production of forage for livestock feed. Assistance was paid at the rate of \$20 a ton of fertilizer, on purchases in excess of average purchases in 1963 and 1964. In 1966-67 the policy was altered to base the assistance on the increase in the number of tons of fertilizer purchased per animal unit of cattle, sheep and hogs on the farm. In that year, 1,823 applications were filed for assistance of \$207,788 on 20,695 tons of fertilizers.

To promote the production of livestock and livestock products by increasing the production of grain and pasture, Prince Edward Island instituted a fertilizer subsidy in 1966. During 1966, the rate of subsidy was 20 per cent of the total cost of fertilizer used on grain and pasture; during 1967, the rate was 20 per cent of the purchase price of fertilizer applied on pasture

and grains, to a maximum per farmstead of \$60. The cost to the Province during the fiscal year 1966-67 totaled \$222,281. In 1968 the policy was terminated because it was not achieving the intended objective.

GRANTS TO AGRICULTURAL ORGANIZATIONS,  
FAIRS AND EXHIBITIONS

An early form of assistance to agriculture, particularly by the provincial governments, was the giving of grants to societies whose aim was to promote improvement in agriculture. The earliest grants of this type were paid to societies concerned with livestock and poultry improvement. The list of recipients has widened to include organizations concerned with field crops, fruits and vegetables, farmers' and women's institutes, and clubwork for boys and girls.

Clubs and organizations formed for the purpose have done much of the work associated with introducing new varieties of crops. Livestock record and registry boards have enabled farmers to buy classified stock for herd improvement. Organized clubwork for boys and girls has provided citizenship training for young people in rural communities. Government grants help defray the operating expenses of these organizations.

The national organizations listed in the following receive an annual grant from the federal government and some get grants from provincial governments to help finance their operations:

Canadian Seed Growers Association - The registration and certification of seed varieties is done by this association. It assists in the distribution of new varieties for commercial sale to farmers and for export. The annual grant from the federal government is \$44,000.

Canadian Horticultural Council - The Council represents horticultural producers, shippers and distributors in Canada. It co-ordinates the recommendations of provincial groups concerning the advancement of the industry and acts as a liaison between the federal government and the trade. The council receives an annual grant of \$8,400 from the federal government. Grants are also received from some provincial governments.

British Columbia Beef Cattle Growers' Association - This organization of cattle producers and feeders in the interior of British Columbia is active in promoting the cattle industry in the province. It receives an annual grant of \$900 from the federal government to help defray the expenses of its annual bull sale and fat stock show. The provincial government also provides financial and technical assistance.

Canadian Hunter, Saddle and Light Horse Improvement Society - To help promote the production of light horses, this society provides inspection services and registration of foundation mares. The annual grant from the federal government is \$5,000. The Ontario government gives a grant of \$500.

Advanced Registry Board for Dairy Bulls - This organization lists sires, which combine desirable type with official production credentials, to facilitate the sale of these animals. The Board receives an annual grant of \$4,500 from the federal government to assist in financing its operations.

Canadian Council of Plowing Associations - The Canadian Council of Plowing Associations organizes and conducts the national plowing contest, provides Canadian representation in world matches, and maintains Canadian affiliation with the World Plowmen's Association. The objective of plowmen's associations



is to promote the proper cultivation of farm land. Since 1959-60, the Canadian Council has received an annual grant of \$5,000 from the federal government to assist in defraying the expenses of the national championship plowing match. A special grant of \$5,000 was made in 1963 to help defray the costs of the XI World Plowing Contest.

Some provincial governments give grants to the Canadian Council and also to provincial associations, local, provincial, national and international plowing matches. In 1966-67 Ontario gave a grant of \$325 to the Ontario Plowmen's Association, a grant of \$1,500 to the International Plowing Match, and grants totaling \$6,649 to local plowing matches.

Canadian National Livestock Records Association - The federal government gives an annual grant, \$46,148 in 1966-67, to assist this association provide a registry service for its affiliated purebred livestock societies.

Federated Women's Institutes of Canada - This is the only national farm women's organization in Canada with international affiliations. Its purpose is to promote educational and cultural programs for farm women. The Institute became eligible for an annual grant from the federal government in December 1958. Previous to this date it had received periodic grants to help defray the expenses of special undertakings. The first annual grant of \$10,000 was paid in 1959-60 and a similar amount has been paid each year since. Provincial governments assist the provincial organizations, generally with annual grants. Some provinces also provide office space and equipment, mimeographing and mailing services.

4-H Clubs - Organized club work for Canadian farm boys and girls had its beginning at the start of this century. The objective of these clubs was to interest young people in agriculture. Practical training was given in

the production of better field crops and livestock, in farm and home practices, and in community leadership. Government assistance to these organized clubs was provided as early as 1900, when prizes were given for exhibits at fairs and exhibitions.

The formation of the Canadian Council on Boys and Girls Club Work in 1931, co-ordinated the work of boys and girls clubs. In 1952, the name of this organization was changed to the Canadian Council of 4-H Clubs. The Council organizes and co-ordinates the various Provincial 4-H Club programs across Canada and organizes the national 4-H Club functions. Grants are given by the federal and provincial governments towards its administration expenses.

More than 5,000 4-H Clubs are active throughout the country in all provinces. Except in Newfoundland where it is sponsored by the Department of Education and in Alberta where it was transferred from the Department of Agriculture to a new Department of Youth in 1968, the 4-H Club program is sponsored by the extension services of the provincial departments of agriculture, as a contact with youth on the farm and in rural towns and villages. The main purposes are to provide opportunity for rural youth between the ages of 10 and 21 to develop their citizenship potential by participating in a voluntary activity and to become more aware of improved agricultural and home economic technology. The program is usually under the direction of provincial agricultural representatives and home economists, with assistance in local sponsorship from agricultural societies, service and business organizations. The federal government shares with the provinces, the costs of prizes, judging and related expenditures at such Club events and undertakings as achievement days, the National 4-H Club Week, and an

international exchange program. As well as actively participating in the 4-H Club programs, provincial governments give grants to the provincial Councils to help defray administration costs. For example, the Province of Saskatchewan gave \$500 to the Saskatchewan 4-H Council and a total of \$31,845 to Club activities throughout the province in 1966-67.

TABLE 12.- FEDERAL GOVERNMENT GRANTS TO PROVINCIAL GOVERNMENTS FOR 4-H ACTIVITIES, BY PROVINCE, 1963-64 TO 1967-68

	1963-64	1964-65	1965-66	1966-67	1967-68
- dollars -					
British Columbia	3,019	7,903	5,297	17,824	9,143
Alberta	15,796	11,726	21,990	511	16,262
Saskatchewan	9,455	11,784	19,445	32,754	17,838
Manitoba	13,087	13,658	12,948	11,435	14,267
Ontario	63,301	53,254	46,235	68,589	55,602
Quebec	10,086	23,672	21,147	1,451	20,113
New Brunswick	3,808	4,161	2,302	2,029	4,350
Nova Scotia	3,892	4,761	4,936	6,709	-
Prince Edward Island	1,897	1,893	2,184		5,234
Newfoundland	2,764	2,188	2,516	1,698	2,391
Total	145,000	135,000	139,000	143,000	145,200

Source: Livestock Division, Canada Department of Agriculture.

Other Grants by the Provincial Governments - The list of organizations receiving grants from the provincial governments in addition to the national organizations listed above, is long and reflects assistance for a wide range of activities. Dairy herd improvement associations, beef breeders' associations, poultry councils, swine breeders' associations, associations holding sales of purebred stock, soil and crop improvement associations, horticultural societies, plowing matches, are among the organizations receiving grants to assist in financing their operations and promoting their respective interests. Some are of recent vintage while others have been paid annually for many years.



TABLE 13.- FEDERAL GOVERNMENT GRANTS TO PROVINCIAL GOVERNMENTS FOR 4-H ACTIVITIES, BY CATEGORY, 1963-64 TO 1967-68

	1963-64	1964-65	1965-66	1966-67	1967-68
- dollars -					
Achievement					
Awards and					
Prize Ribbons	88,476	98,654	98,319	91,363	97,582
Supplies	11,658	5,108	2,916	2,166	1,624
Provincial Award					
Competitions	2,078	12,735	10,678	13,869	11,762
Leadership					
Training	24,895	18,503	27,087	35,602	34,232
Total	127,107	135,000	139,000	143,000	145,200

Source: Livestock Division, Canada Department of Agriculture.

Since 1964, the Nova Scotia Department of Agriculture offers a grant of \$2 for each \$1 raised by a purebred livestock association, to a maximum of \$1,200 a year toward expenses of a fieldman hired on a provincial or Maritime basis. Only the Holstein breeders have taken advantage of this policy; they received a grant of \$557 in 1965, \$1,986 in 1966 (included an additional payment) and \$1,165 in 1967. This is one of the few grants that is conditional upon the organization raising moneys from other sources.

In 1966-67, the New Brunswick Department of Agriculture made grants to organizations which ranged in size from the \$50 given to the Chinchilla Breeders of Canada to the \$30,752 given to the Canadian Horticultural Council.

As might be expected from the diversity and size of the agriculture industry in Ontario, this province gives grants to a larger number of

agricultural organizations than any other province. These grants in 1966-67 ranged in size from the \$100 given to the Ontario Council of Rabbit Clubs to the total of \$42,150 given to the branches and organizations of the Ontario Soil and Crop Improvement Association.

Farmers' institutes incorporated under the Farmers' and Women's Institutes Act of British Columbia receive financial and other assistance from the government of that province. For many years the provincial Department of Agriculture has paid the salary of the "Superintendent of Farmers' Institutes", administration expenses of his office along with grants to district institutes. The total cost to the province in 1966-67 was \$11,369.

Grants to Fairs and Exhibitions - From the time of their establishment in the early stages of agricultural settlement, agricultural fairs and exhibitions have been looked upon as a means of promoting improvements in the agriculture industry. They have been conducted on the theory that competitive displays of products would prompt farmers to improve their crops and livestock. Fairs and exhibitions provided a place for the judging of livestock and farm produce, and their purchase or exchange between farmers; machinery demonstrations and contests; discussions; lectures; meetings; the introduction of new varieties of fruits, grains and vegetables; and the demonstration of new production techniques. For prize winners the recognition received as producers of quality products can result in wider markets and better prices. Prize animals and prize seeds at the larger fairs are advertisement for Canadian produce in foreign markets.

When communication, travel and educational facilities were limited, fairs were the only source of information on changing technology in agricultural production for the majority of farmers. In recognition of the role played

by fairs and exhibitions, governments have provided financial assistance almost since their inception. In fact, few seem able to operate without government assistance.

Government assistance to fairs and exhibitions, consists of financial aid for major capital expenditures, permanent improvements for buildings and grounds, prizes, judges fees, junior activities, and transportation assistance for exhibits. Many financial assistance projects are shared by the federal government and the government of the province in which the fair is located. The extent of assistance available is usually related to the prize money paid to exhibitors, which in turn forms the basis for the official classification of the fair or exhibition as a "Winter" or "Spring" fair, Class "A" or Class "B" exhibition, or "Special" exhibition. The prerequisite for such classification is the expenditure on prizes of \$5,000 by a "Winter" or "Spring" fair in each of the three years preceding the application for listing, \$6,000 by a Class "A", and \$3,000 by a Class "B" exhibition.

The number of fairs receiving grants from the federal government increased from 86 in 1950-51 to 140 in 1966-67. Class "A" fairs increased in number from 18 to 33 and Class "B" from 57 to 97.

Federal grants to fairs and exhibitions exceeded \$1.1 million in 1966-67 (Table 14), and assistance to pay freight charges on livestock shipped to the Royal Winter Fair totaled \$32,952.

To encourage farmers to exhibit livestock at the Royal Winter Fair in Toronto freight charges are paid on livestock exhibits by most provinces outside of Ontario. Seventy-five per cent of the amount paid by the province can be claimed from the federal government. The freight charges are usually paid from a terminal or central point of shipment to Toronto and return.



Some provinces, Alberta for example, also pay the costs of selecting the exhibit, the cost of feed from departure to return, and the return fare of attendants. About 15 railway cars of livestock are shipped from Alberta to the Royal each year. As well as paying the transportation charges for the exhibit (limit 3 railway cars) the province of British Columbia pays an exhibition allowance of \$30 for dairy and beef cattle, 2 years old and more, \$20 for yearlings and calves, and \$10 for sheep and swine; plus the entry fees and the services of a practicing veterinarian as required on the trip.

TABLE 14.- FEDERAL GOVERNMENT GRANTS TO FAIRS, EXHIBITIONS AND MUSEUMS, BY PROVINCE, 1964-65, 1965-66 AND 1966-67<sup>a/</sup>

Province	1964-65	1965-66	1966-67
- dollars -			
British Columbia	29,930	42,105	92,969
Alberta	41,862	102,174	120,356
Saskatchewan	55,390	89,971	116,158
Manitoba	50,622	59,273	57,693
Ontario	207,238	374,882	416,112
Quebec	274,273	137,455	202,628
New Brunswick	26,500	22,786	23,033
Nova Scotia	26,938	75,810	84,160
Prince Edward Island	5,658	1,853	2,762
Newfoundland	12,000	12,000	12,000
Total	759,431	918,309	1,127,871

- <sup>a/</sup> (1) Includes some claims that arrived too late to be paid in the fiscal year for which they were claimed, therefore, these data differ from Public Accounts data.
- (2) Does not include transportation assistance for livestock exhibits to Royal Winter Fair.

Source: Livestock Division, Canada Department of Agriculture.

The province of British Columbia also provides financial assistance for livestock exhibits going to one out-of-province national or feature show per year, other than the Royal. Assistance is at the rate of \$60 per head for cattle 2 years old and more, \$40 per head for yearlings and calves, to a maximum of \$750 per breed exhibit. For sheep and swine the allowance is \$10 per head to a maximum of \$100 per breed exhibit. Entry fees are also paid.

To encourage farmers exhibit field crops at the Royal Winter Fair in Toronto, a number of provincial departments of agriculture assist in assembling exhibits, and pay the transportation charges to Toronto and the entry fees. Some pay an honorarium to winners in specified classes.

The province of Ontario, under authority of its Agricultural Societies Act, provides the largest variety of grants for fairs and exhibitions. Since 1949, the province's three largest exhibitions, the Canadian National Exhibition, Toronto; Western Fair, London; and the Central Canada Exhibition, Ottawa, each receive an annual grant of \$3,500. To help with expenses where wet weather has caused a loss of gate receipts, the province paid grants totaling \$5,687 to 14 agricultural societies in 1967-68. In 1965-66, 26 societies received wet weather grants of \$9,477. To promote greater interest in growing, processing and marketing high quality products, the province will pay 50 per cent of expenditures, to a maximum of \$200 per feature, for prizes, advertising, judging and display material. Grants for this purpose have averaged \$15,500 annually in the past 4 years. An agricultural society which has served agriculture for 100 or more consecutive years is given a grant of \$1,000 to erect a gateway or pylon on its fair grounds. In 1967-68, the province paid grants totaling \$251,827 for improvements to grounds and buildings where fairs are held. Based on 25 per cent of the capital expenditure on annual improvements, a Class A fair may receive \$1,500, a Class B \$900, and a Class C fair \$600.

### RESOURCE DEVELOPMENT

Early government policies related to lands were designed to encourage settlement and subsequent development of the lands for agricultural purposes, such as the homestead policy, which provided for a free grant of 160 acres in Western Canada to a settler who fulfilled conditions of occupancy, and made certain improvements to the land. By the early 1920's the peak of the settlement rush was passed and by 1941 settlement was virtually complete. In 1941, the Census reported 173.6 million acres in farms; in 1966 the farm area was essentially the same size, at 174.1 million acres. Although the total farm area remained unchanged development of the land within the farms continued. In 1941, 52.8 per cent of the farm area was improved, by 1966 the proportion was 62.1 per cent. The area of improved land increased from 91.6 million acres in 1941 to 108.1 million acres in 1966. Almost all of this net increase in improved acreage occurred in the Prairie Provinces, where there was an increase of 19.6 million acres; there was an increase of 721,000 acres in British Columbia. In the provinces east of Manitoba there was a net decrease of more than 3 million acres during the 25-year period. The area of unbroken land that may be suitable for arable culture is estimated at about 40 million acres. At least 75 per cent of this is said to have soils of low natural fertility. Apart entirely from the problem of accessibility most of the reserves of potentially arable lands will require a large investment before they can be brought into agricultural production. Most requires clearing, some draining, and some requires irrigation.



As settlement neared completion and the land was more or less cleared for crop production, government programs were instituted to encourage soil and water conservation, drainage and flood protection, and some irrigation. The droughts of the 1930's in the Prairie Provinces emphasized the need for soil and water conservation programs, particularly in that region. In 1935, legislation of the federal government provided for the formation of the Prairie Farm Rehabilitation Administration, an organization which was destined to have significant influence on agriculture in the prairie region. In the Maritimes, dykes that had protected marshlands from flooding for many decades became too costly for farmers to maintain, and assistance was provided, first by the provincial governments and later by the federal government.

Present day legislation related to land provides for the foregoing types of programs but also emphasizes programs to overcome problems arising at least partially from mistakes in settlement. In the rush of settlement large acreages of land were settled that have since proved unfit for arable culture. Then, too, the lots on which farmers settled, 50 and 100 acres in Eastern Canada, and 160 and 320 acres in Western Canada, soon proved too small for an economic unit. Once an area was settled it was difficult for a farmer to expand because to do so required displacement of a neighbor. Constantly changing economic conditions have aggravated the problem. Many farms which were quite prosperous units 20 years ago are now too small to provide an adequate living for a farm family. Programs of assistance have been instituted which emphasize the improvement of land, out of the existing area of occupied land, along with training and rehabilitation programs for the people involved. The most broad and comprehensive resource development program is that of the Agricultural and Rural Development Act.

### Federal Activities

Prairie Farm Rehabilitation Administration - The Prairie Farm Rehabilitation Act, commonly known as the PFRA was passed in 1935 to provide a four-year program of restoration for the drought afflicted and eroded soil areas of Manitoba, Saskatchewan and Alberta. In 1937, the Act was amended to include land utilization and resettlement, and by further amendment in 1939 it was extended to remain in force indefinitely. In 1961, its program was extended to all agricultural areas within the Prairie Provinces. This is an area of more than 133 million acres of farmland, of which more than 85 million acres are improved; almost 80 per cent of all the improved land in Canada.

Early activities of the PFRA dealt with the problems associated with rehabilitating abandoned lands, including the relocation of settlers from the drought area in a more favorable environment. In recent years, land utilization work has consisted almost entirely of establishing community pastures on lands submarginal for grain production.

When establishing community pastures the province concerned selects the area and obtains control of the land. It is then leased to the Government of Canada (PFRA) which in turn agrees to construct, maintain and improve community pasture facilities in the area selected. The continuing improvement program has resulted in more than a doubling of the average carrying capacity of PFRA pastures during their years of operation. Each pasture has a full-time manager appointed by the PFRA. Pasture privileges are allocated by a local Advisory Committee.

In 1966-67, 85 PFRA community pasture units were in operation, covering 2,337,113 acres (Table 15). Grazing was provided for 154,397 head

TABLE 15.- PRAIRIE FARM REHABILITATION ADMINISTRATION, DEVELOPMENT AND OPERATION OF COMMUNITY PASTURES, 1938-39 TO 1966-67

- 65 -

Fiscal Year	Pasture Units in Operation	Area of Land in Pastures (acres)	Total Cost of Construction of Pastures	Livestock Units Carried on Pastures	Acres Per Unit of Livestock	Revenue	Operating Costs	Net Operating Cost Per Unit of Livestock	Average Charge Per Unit Livestock to Farmers	Municipal Tax Levy Collected
	- number -	- dollars -	- number -							
1938-39	14	189,800	165,995	3,231	58.7	6,340	10,186	3.15	1.96	
1939-40	26	612,300	663,471	11,522	53.1	21,633	20,946	1.82	1.82	
1940-41	35	884,500	1,004,306	23,245	38.1	43,452	35,291	1.52	1.87	
1941-42	38	936,548	1,187,361	33,230	28.2	65,435	50,607	1.52	1.97	
1942-43	45	1,261,100	1,298,488	51,127	24.7	98,292	79,907	1.56	1.92	
1943-44	46	1,268,140	1,558,055	54,472	23.3	111,114	107,535	1.97	2.04	
1944-45	49	1,337,320	1,699,012	59,997	22.3	151,461	117,065	1.95	2.52	
1945-46	50	1,361,440	1,857,020	67,778	20.1	167,045	136,567	2.01	2.46	
1946-47	53	1,412,860	2,072,274	68,493	20.6	198,115	145,293	2.12	2.89	
1947-48	53	1,417,320	2,208,919	66,347	21.4	203,888	161,471	2.43	3.07	
1948-49	54	1,436,480	2,486,277	71,393	20.1	204,012	175,666	2.46	2.86	
1949-50	54	1,439,680	2,809,196	70,308	20.5	211,624	172,255	2.45	3.01	
1950-51	56	1,521,080	3,237,331	68,858	22.1	221,129	217,867	3.16	3.21	
1951-52	57	1,574,642	3,426,586	77,240	20.4	335,327	237,742	3.08	4.34	
1952-53	59	1,652,020	3,754,098	94,137	17.5	438,514	373,737	3.97	4.66	
1953-54	60	1,678,736	3,963,573	109,583	15.3	507,179	490,808	4.48	4.55	
1954-55	60	1,696,900	4,273,917	106,322	15.9	496,806	466,154	4.38	4.66	
1955-56	60	1,728,700	4,509,669	108,499	15.8	499,045	501,541	4.67	4.60	
1956-57	61	1,759,570	4,832,863	117,441	14.9	548,601	508,003	4.33	4.67	
1957-58	61	1,796,275	5,119,317	119,398	15.0	552,938	607,129	5.08	4.63	
1958-59	62	1,815,265	5,509,938	117,032	15.5	542,607	686,449	5.87	4.64	
1959-60	64	1,818,464	5,800,342	124,812	14.6	705,785	742,915	5.95	5.65	
1960-61	65	1,896,173	6,254,224	122,813	15.4	656,709	879,812	7.15	5.35	
1961-62	68	2,088,704	6,845,656	146,672	14.2	860,808	1,128,256	7.69	5.87	
1962-63	71	2,114,412	7,283,658	139,643	15.1	871,955	1,044,241	7.48	6.24	145,631
1963-64	75	2,149,292	7,677,379	141,723	15.2	1,168,641	1,193,820	8.42	8.25	157,768
1964-65	83	2,318,477	8,826,041	156,978	14.8	1,460,279	1,396,514	8.90	9.30	167,493
1965-66	84	2,325,564	9,274,172	158,434	14.7	1,431,952	1,348,565	8.51	9.04	147,475
1966-67	85	2,337,113	9,965,500	154,742	15.1	1,353,112	1,474,046	9.53	8.74	
						14,133,798	14,510,388			618,367

A livestock unit indicates one head of cattle, one horse, or five sheep.

A pasture unit may include one or more pastures, but it is operated under one management.

Tax levy not included in revenue.

Source: Annual Report on Prairie Farm Rehabilitation and Activities, 1966-1967, Canada Department of Agriculture.



of cattle and calves for 6,030 patrons. Community pasture services include development, improvement and maintenance of the pasture; supervision and management of the herd on pasture; and on some pastures, provision of bulls for breeding purposes. In 1966-67, 1,853 bulls were provided, of which 1,523 were PFRA bulls, and 330 were rented. Artificial insemination services are available on some pastures. In 1966-67, 48,223 cows were bred naturally and 3,099 artificially. Such services as castration, dehorning, and necessary veterinary treatments are provided at nominal costs. Grazing fees and service charges are set by the PFRA.

For a number of years the PFRA operated tree nurseries at Indian Head and Sutherland in Saskatchewan. Millions of trees were provided annually for farm shelterbelt and roadside planting. The Sutherland nursery was closed in 1966 but production activities were increased at Indian Head to offset the loss.

Since 1949 a demonstration farm has been operated at Outlook, Saskatchewan, where dryland farmers can observe the results of irrigation farming. While primarily for demonstration purposes some experimental work has been done with crop production under irrigation.

The provision of engineering services and financial assistance to farmers for the construction of farm dugouts, stock watering dams and irrigation projects has been an important part of PFRA water conservation and development work. From 1935 to 1966-67, PFRA activities included the construction of 83,277 dugouts, 9,988 dams, and 5,119 irrigation projects (Table 16). Although, this type of work is still important, 1,636 dugouts and 148 stock watering dams received final inspection in 1966-67, the development of large scale water development, irrigation and reclamation projects, has become the major part of PFRA activity.

TABLE 16.- PRAIRIE FARM REHABILITATION ADMINISTRATION, WATER DEVELOPMENT PROJECTS COMPLETED AND ASSISTANCE PAID, 1935-36 TO 1966-67

Types of Project	Dugouts		Dams		Irrigation Projects		Totals	
	Completed	Assistance	Completed	Assistance	Completed	Assistance	Completed	Assistance
	- number -	- dollars -	- number -	- dollars -	- number -	- dollars -	- number -	- dollars -
<b>Manitoba</b>								
Individual	16,710	2,304,772.33	346	30,705.54	302	125,286.14	17,358	2,460,764.01
Neighbor	76	21,407.27	16	5,024.00	20	12,994.24	112	39,425.51
Small Community	12	32,138.42	25	134,401.87	2	30,582.54	39	197,122.83
Large Water	-	-	35	2,586,846.33	6	617,217.00	41	3,204,063.33
<b>Total</b>	16,798	2,358,318.02	422	2,756,977.74	330	786,079.92	17,550	5,901,375.68
<b>Saskatchewan</b>								
Individual	50,760	7,790,226.73	5,563	598,710.07	3,021	841,577.80	59,344	9,230,514.60
Neighbor	429	136,187.80	63	14,248.67	148	82,097.13	640	232,533.60
Small Community	475	596,261.00	216	1,128,694.54	71	680,639.78	762	2,405,595.32
Large Water	-	-	56	5,233,200.42	36	4,129,910.00	92	9,363,110.42
<b>Total</b>	51,664	8,522,675.53	5,898	6,974,853.70	3,276	5,734,224.71	60,838	21,231,753.94
<b>Alberta</b>								
Individual	14,629	2,534,264.16	3,520	435,107.14	1,415	397,236.78	19,564	3,366,608.08
Neighbor	61	22,914.99	16	5,843.50	18	6,654.83	95	35,413.32
Small Community	125	268,732.19	125	783,124.43	61	695,239.77	311	1,747,096.39
Large Water	-	-	7	805,925.99	19	717,339.75	26	1,523,265.74
<b>Total</b>	14,815	2,825,911.34	3,668	2,030,001.06	1,513	1,816,471.13	19,996	6,672,383.53
<b>Grand Total</b>	83,277	13,706,904.89	9,988	11,761,832.50	5,119	8,336,775.76	98,384	33,805,513.15

Source: Annual Report on Prairie Farm Rehabilitation and Activities, 1966-67, Canada Department of Agriculture.

In recent years the PFRA has been made responsible for the development of major water and irrigation projects in Western Canada, projects which because of their size or location are not a part of regular PFRA appropriations. Such projects are undertaken under agreements between the federal government (PFRA) and the provincial governments and sometimes municipal governments, with the division of responsibility being determined for each project or phase of project according to existing conditions and circumstances. Some facilities have been constructed by the PFRA and then turned over to the province, or a municipality, to operate, others have been retained for PFRA operation and management.

In addition to its other activities, the PFRA has helped carry out programs of emergency assistance. Engineering services and equipment have been provided for controlling floods. In times of drought the PFRA has provided equipment to pump water to dugouts for stock watering and for well drilling, provided temporary accommodation for livestock on community pastures, and assisted in moving cattle to emergency feed supplies.

Expenditures by PFRA, including administration, land use, water development and engineering services, totaled \$360.9 million from its inception in 1935-36 to 1966-67 (Table 17).

Maritime Marshland Rehabilitation Act - When properly protected from salt water flooding over 80,000 acres of marshlands, principally around the Bay of Fundy, yield good crops and play an important part in the agriculture industry of the Maritime region. They form an integral part of almost 450,000 acres of farmlands. The protection of the marshlands from tide water flooding began over 300 years ago when settlers built dykes and grew cereal crops in the protected marshland. By the early 1940's the repair and maintenance of



TABLE 17.- PRAIRIE FARM REHABILITATION ADMINISTRATION, EXPENDITURES BY ACTIVITIES, 1964-65, 1965-66, 1966-67 AND TOTAL 1935-36 TO 1966-67

	1964-65	1965-66	1966-67	1935-36 to 1966-67
	- dollars -			
ADMINISTRATION DIVISION				
Ottawa and Regina Administration	422,163	550,670	638,467	4,968,464
LAND USE SERVICE				
Cultural Work - Soil Drifting, Etc.	-	-	-	4,966,394
Community Pastures - Construction, Operation and Maintenance	2,320,942	2,091,732	2,572,688	32,484,510
Movement of Settlers	-	-	-	227,841
WATER DEVELOPMENT SERVICE				
Supervision, Individual Dugouts, Wells, Community, Large Water Storage and Irrigation Projects	2,679,383	2,863,809	2,094,926	59,718,433
Equipment - Purchase and Repairs, Service Depot	1,097,777	1,206,053	1,128,783	13,244,557
Tree Nursery Stations	434,978	568,493	557,541	1,982,002
Bow River Irrigation Project	1,219,571	1,302,526	1,532,815	36,860,251
ENGINEERING SERVICE				
Surveys, Design, Soil Mechanics, Drainage Studies, Legal	1,763,574	1,895,176	2,011,531	29,996,233
Surveys, Supervision of Construction	1,348,595	794,002	556,053	31,093,947
St. Mary's Irrigation Project	18,526,309	21,172,605	12,372,511	126,608,868
South Saskatchewan River Project	32,938	45,903	69,956	1,634,571
Assiniboine River Dyking	794,376	1,307,949	2,480,887	4,724,325
Shellmouth Dam and Portage Diversion	-	-	-	3,310,182
B.C. Reclamation and Development, including Lillooet Project	8,284	8,643	-	4,136,021
Land Protection and Reclamation, Manitoba and Eastern Canada	144,478	10,688	24,659	4,956,704
Miscellaneous Projects - Construction				
Total Expenditures	30,803,268	33,818,249	26,040,817	360,913,303
REVENUE:				
Community Pasture Operations	1,313,472	\$1,428,702	\$1,361,915	\$14,815,040
Irrigation Project Operation and General Revenue	686,495	1,039,133	1,357,564	8,465,173
	\$1,999,967	\$2,467,835	\$2,719,479	\$23,280,213

Source: Annual Reports of the Prairie Farm Rehabilitation Administration.

flood control structures, many of which were old, was a large item of expenditure to the marsh owners and the provincial governments. Federal government assistance began in Nova Scotia in 1943 and in New Brunswick in 1945. The federal government agreed to participate in three-way agreements (federal-provincial-marsh owners) for the equal division of costs of emergency repairs to old dykes, aboiteaux and breakwaters. From 1945 to 1949 the federal government made annual agreements with these provinces to provide emergency repairs to flood control structures. The provinces carried out the repairs and the federal government reimbursed the provinces for one-third of the cost.

The Maritime Marshland Rehabilitation Act of the federal government received assent on June 30, 1948 and became effective May 1, 1949. This Act authorized the federal government to undertake in conjunction with the Provinces of Nova Scotia, New Brunswick and Prince Edward Island a program of reclamation and development of marshlands through the construction and reconstruction of dykes, aboiteaux and breakwaters. The Act provided for the development of new areas in addition to reconstruction and repair of existing works. The federal Department of Agriculture, through the Maritime Marshland Rehabilitation Administration was empowered to undertake the construction of all main protective works on condition that the province would assume responsibility for necessary drainage works and proper land utilization.

In 1963, the MMRA became the engineering agency responsible for carrying out ARDA projects in the Atlantic Provinces. During 1966, agreements were signed between Canada and each of the three Maritime Provinces providing for the transfer from the federal government to the provincial governments of operation and maintenance responsibilities for works constructed under the MMRA program. This transfer will be completed by March 31, 1970.

Since the institution of MMRA the acreage protected from flooding has increased from less than 20,000 to more than 81,000 acres. Of this amount 44,054 acres are in Nova Scotia, 36,936 acres in New Brunswick, and 275 acres in Prince Edward Island. The basic flood protection structures consist of 250 miles of dykes, 438 aboiteaux, 4 major tidal dams, and 21 miles of river bank control installation. These works protect not only farmland but many miles of roads, railways, power and other transmission towers, and business properties.

Assistance in financing repairs and reconstruction of flood control structures in Nova Scotia and New Brunswick cost the federal government \$311,305 between 1943 and the institution of the Maritime Marshland Rehabilitation Act in 1949. Federal government expenditures under the Act totaled \$22.1 million to the end of 1966-67. Of this amount \$14.8 million was for construction and maintenance of projects and special surveys, and \$7.3 million for administration, engineering and supervision. Of the expenditures for construction and maintenance of projects and special surveys Nova Scotia received \$9,200,619, New Brunswick \$5,537,620, and Prince Edward Island \$20,150.

#### Federal-Provincial Activities

Agricultural and Rural Development Act - The Agricultural and Rural Development Act, popularly known as ARDA, to provide for the rehabilitation of agricultural lands and the development of rural areas in Canada was first passed by Parliament in June 1961. In 1966, the title was changed to "Agricultural and Rural Development Act (ARDA)".



ARDA was designed to help rural people adjust to the major social, economic, and technological changes that affect their livelihood. Provision is made for programs of better use of lands, particularly those poorly suited to agriculture; for maintaining and increasing the productivity of lands suitable for agriculture, through soil improvement and conservation; for developing and conserving water supplies; for developing opportunities to increase income and employment in rural areas; and for conducting research concerning these programs.

ARDA is a co-operative project of the federal and provincial governments. Projects are initiated by a province, submitted to the federal government for approval, and then implemented by the province, with the federal government sharing in the cost. Some research projects are initiated and carried out by the federal government. Each province has a provincial government official whose job it is to co-ordinate projects under ARDA, within the province.

The first general federal-provincial ARDA agreement was approved and signed by all the provinces and the federal government in the fall of 1962, covering the period up to March 31, 1965. The agreement provided a detailed interpretation of the Act and established an operating policy. Late in 1963 the first projects were launched. The total federal government contribution under the general agreement was set at \$50 million. Projects undertaken covered soil and water conservation measures, development of community pastures, alternative uses for submarginal land, and such diverse activities as blueberry culture and production of maple syrup.

A new federal-provincial Rural Development Agreement was signed in the spring of 1965, covering the period up to March 31, 1970. The federal government agreed to spend up to \$25 million a year - a total of \$125 million

over the five-year period. After each province is given an annual initial allotment of \$375,000, the remainder of the \$25 million annual total is distributed among the provinces according to a formula which gives equal weight to size of rural population, number of rural non-farm families with incomes less than \$3,000 a year, the number of farms with a total capital value of less than \$25,000 and annual sales of farm products of less than \$3,750, as recorded in the 1961 Census of Canada (Table 18).

This new agreement placed more emphasis on an all resource approach to rural development, particularly in low income areas, in contrast with the earlier agreement which had placed the primary emphasis on agricultural resources alone. It also made provision for a special fund for rural economic development to support comprehensive rural development programs in rural areas subject to general low income and in special need of development. A special fund of \$50 million was established under the Fund for Rural Economic Development (FRED) Act in 1966. An amendment to the Act in 1967 increased the fund to \$300 million.

The second rural development agreement consists of eight parts: Research, Land Use and Farm Adjustment, Rehabilitation, Rural Development Staff and Training Services, Rural Development Areas, Special Rural Development Areas, Public Information Service and Soil and Water Conservation.

Research - The federal and provincial governments may undertake jointly, physical, social and economic research concerning any of the projects or programs. Included may be surveys and studies concerned with the development of projects and programs, benefit-cost studies and pilot action research.

Land Use and Farm Adjustment - Provision is made for the acquisition of farm land which is of low capability for agriculture for conversion to

TABLE 18.- AGRICULTURAL AND RURAL DEVELOPMENT ADMINISTRATION, PROVINCIAL ALLOTMENTS, RURAL DEVELOPMENT AGREEMENT,  
APRIL 1, 1965

Province	Annual Allotment	Total Allotment (Annual X 5)	Rural Population	Number of Rural Non-Farm Families with Under \$3,000 Income	Number of Farms with Capital Value Under \$25,000 and Sales Under \$3,750
Newfoundland	\$ 1,378,638	\$ 6,893,190	225,833	28,900	808
Prince Edward Island	715,638	3,578,190	70,720	4,035	4,482
Nova Scotia	1,790,675	8,953,375	336,495	31,063	7,174
New Brunswick	1,672,950	8,364,750	319,923	27,476	6,839
Quebec	5,665,612	28,328,060	1,352,807	69,010	55,766
Ontario	5,058,287	25,291,435	1,412,563	59,440	42,463
Manitoba	1,828,712	9,143,560	332,879	15,680	19,047
Saskatchewan	2,866,988	14,334,940	527,090	23,598	36,544
Alberta	2,292,388	11,461,940	488,733	15,963	26,520
British Columbia	1,730,112	8,650,560	447,157	23,312	6,623
Total	\$25,000,000	\$125,000,000	5,514,200	298,477	206,266

Source: Federal Provincial Rural Development Agreement 1965-70, Department of Forestry, Ottawa, Canada. p. 26.



other uses such as pastures, forests, recreation areas, wildlife production and conservation areas. Under specified conditions owners of uneconomic farms or woodlots can either offer them for sale to the government or be assisted to enlarge their holdings. ARDA may purchase such uneconomic holdings, and under certain circumstances, other holdings provided land costs are under \$100 per acre and regroup them into viable units for lease to farmers.

Provision is made for loans to viable or potentially viable farmers for the purchase of lands so that they may acquire an economic farm unit in areas where a special comprehensive program has been agreed upon. Farm planning and management advisory services will be available to the farmer where required.

Rehabilitation - ARDA funds may be used to fill the gaps in existing mobility and training programs, to provide supplementary assistance for meeting the particular needs of rural people wishing to reestablish themselves in new employment, and to provide special assistance to farm operators 55 years of age and over who are affected by a land consolidation program.

Rural Development Staff and Training Services - The federal government will assist the provinces in paying salaries and expenses of Rural Development Officers required to implement ARDA programs. Bursaries and other assistance for training may be provided personnel who will function as ARDA Rural Development Officers. Assistance may also be provided the provinces in projects to train rural development specialists, to encourage community leadership and to involve local people in development programs.

Rural Development Areas - The objective of this part of the Agreement is to increase substantially income and employment opportunities in rural

areas and communities which are in need of special assistance. A number of programs such as land development for pastures; community forage, blueberry or other crop areas; establishment of forests; development of parks; recreation and wildlife areas on Crown lands; forest stand improvement on public land and many others may be carried out under this part of the Agreement.

Special Rural Development Areas - Comprehensive rural development programs may be undertaken in areas with development potential but hampered by widespread low income and other major problems of adjustment. Such programs may involve studies of problems, and the development potential of an area and its people; involvement of local people in planning the broad range of projects for development of the area; implementation of special development projects such as land use and water development, transportation, parks, etc. The Fund for Rural Economic Development may be used to finance major projects in these Special Rural Development areas.

Public Information Services - The federal government will share the cost of employing and maintaining a provincial ARDA public information officer in each province and will share the cost of developing effective public information programs. Emphasis is placed on creating effective information exchange among governments as well as between governments and non-governmental organizations and the public.

Soil and Water Conservation - Comprehensive soil and water conservation projects may be undertaken. These may be joint projects for water management and development and soil improvement and conservation, and

particularly watershed conservation and development, provided a major part of all such projects serve agricultural and rural development purposes.

ARDA Activities 1962 to 1967 - Between 1962-63 and 1966-67, the total expenditure of the federal government under the Agricultural and Rural Development Act was \$44.1 million (Table 19). Of this total, \$35.5 million was the federal government's contribution to projects, including research, shared with the provincial governments, and \$8.6 million was spent directly on research and the Canada Land Inventory.

The following is a summary of ARDA activities related to agriculture in each of the provinces. (Research projects are described elsewhere.)

Newfoundland - The province's major action programs have been community pasture development, land clearing, bogland reclamation, and blueberry land development.

Prince Edward Island - The ARDA program has included community pasture development, farm consolidation, the building of small water-holding areas for either stock watering or irrigation, and farm improvement projects such as land clearing, hedgerow removal, land levelling and barn moving. The water conservation program has been beneficial in replenishing the Island's diminishing water table.

Nova Scotia - Projects undertaken include a farm consolidation and land use project; tile and open ditch drainage assistance; flood control; river erosion control; development of rural ponds to provide for stock watering, irrigation and fire protection; and the provision of technical assistance to farm woodlot owners. Financial assistance was provided a co-operative to establish a pig nursery operation.



TABLE 19.- FEDERAL GOVERNMENT EXPENDITURES UNDER THE AGRICULTURAL AND RURAL DEVELOPMENT ACT, BY PROVINCE, 1962 TO 1967

Province		Direct Expenditures on Canada Land Inventory and Research	Contribution to Provincial Projects <sup>a/</sup>	Total
- dollars -				
British Columbia	1962-65	94,806	272,093	366,899
	1965-66	266,485	478,408	744,893
	1966-67	468,181	1,193,308	1,661,489
	1962-67	829,472	1,943,809	2,773,281
Alberta	1962-65	59,632	731,526	791,158
	1965-66	108,576	405,010	513,586
	1966-67	332,894	1,033,947	1,366,841
	1962-67	501,102	2,170,483	2,671,585
Saskatchewan	1962-65	124,743	3,517,044	3,641,787
	1965-66	308,872	2,032,425	2,341,297
	1966-67	234,460	2,384,319	2,618,779
	1962-67	668,075	7,933,788	8,601,863
Manitoba	1962-65	126,143	1,452,032	1,578,175
	1965-66	308,738	860,380	1,169,118
	1966-67	167,133	985,501	1,152,634
	1962-67	602,014	3,297,913	3,899,927
Ontario	1962-65	45,685	265,168	310,853
	1965-66	76,861	134,949	211,810
	1966-67	268,775	1,618,719	1,887,494
	1962-67	391,321	2,018,836	2,410,157
Quebec	1962-65	76,640	4,345,539	4,422,179
	1965-66	290,227	5,176,794	5,467,021
	1966-67	338,696	4,278,956	4,617,652
	1962-67	705,563	13,801,289	14,506,852
New Brunswick	1962-65	181,921	398,809	580,730
	1965-66	209,304	233,497	442,801
	1966-67	96,262	500,384	596,646
	1962-67	487,487	1,132,690	1,620,177
Nova Scotia	1962-65	43,879	331,885	375,764
	1965-66	182,209	353,033	535,242
	1966-67	257,915	1,023,577	1,281,492
	1962-67	484,003	1,708,495	2,192,498

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TABLE 19.- FEDERAL GOVERNMENT EXPENDITURES UNDER THE AGRICULTURAL AND RURAL DEVELOPMENT ACT, BY PROVINCE, 1962 TO 1967 (continued)

Province		Direct Expenditures on Canada Land Inventory and Research	Contribution to Provincial Projects <sup>a/</sup>	Total
- dollars -				
Prince Edward Island	1962-65	55,175	148,465	203,640
	1965-66	111,529	132,609	244,138
	1966-67	129,813	282,578	412,391
	1962-67	296,517	563,652	860,169
Newfoundland	1962-65	223,108	239,494	462,602
	1965-66	153,169	315,554	468,723
	1966-67	95,750	384,234	479,984
	1962-67	472,027	939,282	1,411,309
Sub-totals	1962-65	1,031,732	11,702,055	12,733,787
	1965-66	2,015,970	10,122,659	12,138,629
	1966-67	2,389,879	13,685,523	16,075,402
	1962-67	5,437,581	35,510,237	40,947,818
Federal Projects	1962-65	750,428		750,428
	1965-66	767,808		767,808
	1966-67	1,667,158 <sup>b/</sup>		1,667,158 <sup>b/</sup>
	1962-67	3,176,808		3,176,808
Grand total	1962-65	1,782,160		13,484,215
	1965-66	2,783,778		12,906,437
	1966-67	4,057,037 <sup>b/</sup>		17,742,560 <sup>b/</sup>
	1962-67	8,614,389		44,124,626

<sup>a/</sup> Includes federal contributions to all types of provincial ARDA projects.

<sup>b/</sup> Includes \$8,586 of expenditures for federal projects under the first general ARDA agreement.

Source: Annual Reports of the Agricultural and Rural Development Administration.

New Brunswick - Diversification, modernization and consolidation of farms have received attention in this province. Projects have included tile drainage, erosion control, woodlot management assistance, and community pasture development.

Quebec - The main emphasis of the ARDA program in Quebec has been on agricultural improvement. Projects undertaken include assistance for hiring heavy equipment to effect permanent land improvement on existing farms, drainage and flood control, construction of community pastures, development of land for blueberry production, dredging of streams and improvement of water courses, and construction of cold storage plants.

Ontario - Ontario is concentrating heavily in the fields of land use and farm adjustment, and water development.

The land use and farm adjustment program falls almost entirely within three groupings: the purchase of land for, and development of, community pastures; the purchase of submarginal land for reforestation; and the purchase of farms for enlargement. Since the beginning of the ARDA program in Ontario, nine community pastures have been formed involving a total estimated expenditure of \$1 million.

The farm enlargement program involves two phases. One is for the purpose of assembling large holdings for beef ranching operations in Northern Ontario. The other phase assists farmers in the creation of viable farm units through land purchase and lease. This phase is estimated to cost \$7.2 million for a five-year period.

Soil and water conservation program expenditures make up a large part of the Ontario commitment to the ARDA program; included is a project for small reservoirs throughout the province, drainage and capital grants for farm development.



Manitoba - Soil and water conservation and alternate land use have been emphasized in the Manitoba ARDA program. Two major land resource projects are "forage seed assistance for erosion control" and "a bush clearing project for hayland and pasture development". Other projects involve the purchase of marginal farmland to be converted to a more economic use, and the construction of drainage channels and flood ways.

Saskatchewan - Community pasture development constitutes a major portion of the ARDA program in Saskatchewan. Shareable expenditures on community pastures to the end of 1966-67 totaled almost \$9 million. Other projects included reconstruction of small group irrigation projects, grants for clearing and breaking arable land on small farms, grants to farmers for converting marginal land to forage, and grants for development of farm water supply and sewage.

Alberta - Community pasture development has been an important part of the ARDA program in Alberta. Other projects include the reclamation of land damaged by wind and water erosion, purchase of poor agriculture lands for conversion to more economic uses, flood control, water storage for stock watering, farm shelterbelt plantings, and land improvement for grazing associations leasing Crown lands.

British Columbia - Emphasis of the ARDA program in British Columbia has been on the rehabilitation and extension of irrigation and water supply systems in various parts of the province. Community pastures have been and are being developed in the Peace River region.

Fund for Rural Economic Development (FRED) - In May 1966, the federal government passed legislation which provided funds for comprehensive regional development in rural areas requiring complex programs to relieve poverty.

The first fund established consisted of \$50 million; an amendment to the Act in 1967 increased the amount to \$300 million. Agreements providing for the use of FRED have been signed between the federal government and the governments of New Brunswick, Manitoba and Quebec. Under the terms of these agreements the two governments agreed to combine resources and co-ordinate efforts to encourage economic and social development of the area concerned.

New Brunswick - Under agreements signed in September 1966 funds provided by this legislation were committed in two areas in New Brunswick - the Mactaquac and Northeastern.

The agreement for the development of Northeastern New Brunswick called for a provincial commitment to expand and improve education facilities in the area; an increased program for relocation of those who seek new economic opportunities; a program for the purchase, by the Province, of land from those who voluntarily agree to move to areas of more economic opportunities; developing agriculture and forestry; the provision of additional opportunities for employment. The commitment from FRED totaled \$31,461,000. The total cost of all the programs under the Agreement was set at \$89,250,000 of which the total federal contribution is in excess of \$62 million.

The Mactaquac agreement called for the establishment of a town site in the central part of the region to regroup and modernize the commercial and institutional services, provide a centre of attraction for displaced families and serve as a centre for wood-using industries. Settlement may be encouraged by providing land at a subsidized cost for five years, and low rental houses when necessary. The commitment from

FRED totaled \$9,433,000. The total cost of all the programs for this region was set at \$20,950,000; more than \$15 million being contributed by the federal government.

Manitoba - The Federal-Provincial Rural Development Agreement for the Interlake Area of Manitoba was signed in May 1967. The Agreement provides for an extensive public investment in education; increased training facilities, together with training allowances and mobility grants; counselling to make residents of the area more aware of the alternative opportunities available to them; the development of agriculture and fisheries; encouragement of secondary industry; and the development of the infrastructure of the area. The total costs of projects under this agreement have been estimated at \$85,085,000. The total federal contribution has been estimated at \$49,562,000 of which \$27,606,000 are from FRED.

Quebec - An agreement for a comprehensive development program in the Lower St. Lawrence, Gaspé and Îles de la Madeleine Area was signed in May 1968 by the governments of Canada and Quebec. The Agreement provides for co-operation in projects to modernize the industries of agriculture, fisheries and forestry; encouragement of the development of other industries; a manpower redeployment program; urbanization by regrouping the population in a few adequately equipped urban centres; and development of the infrastructure of the region. The total cost of this comprehensive plan is estimated at \$258,790,000. The federal contribution will be \$126 million, of which \$86,195,000 will be from FRED.



### Provincial Activities

Land Clearing and Breaking - In Saskatchewan, lessees of provincial land may receive financial assistance to clear and break where costs exceed \$12.50 an acre. Since the institution of this program, more than two decades ago, more than 452,000 acres have been cleared and 598,000 acres broken. The provincial government investment in the project, to the end of 1966-67, totaled \$11.6 million.

To encourage and assist land owners clear land on their private holdings, a new program was effected under the ARDA agreement in Saskatchewan in 1966-67. Land owners with a farm unit of less than \$6,000 assessed value and having not more than 360 acres under cultivation, were eligible to receive a grant of \$3 per acre or one-third of the clearing costs, whichever was the lesser. The grant is payable on a maximum of 40 acres per applicant. In 1966-67, the first year of operation, 1,280 grants were paid for clearing 39,018 acres.

To increase the acreage of productive farmland in the Interlake area of Manitoba, financial assistance is available to individual applicants for clearing (knockdown and piling) of bush at the rate of \$4 an acre to a maximum of 500 acres. This policy was instituted by the provincial government in 1967 and is intended to continue for 10 years.

To aid in the clearing and breaking of land suitable for agricultural purposes in Northern Ontario, the Ontario Department of Agriculture offers assistance at the rate of 50 per cent of the cost of clearing and breaking, to a maximum of \$25 an acre. The subsidy is paid only where a relatively large proportion of the land is suitable for agricultural production.

The Province of Quebec subsidizes land clearing, breaking and plowing for settlers in colonization centres, at the rate of \$20 an acre for any one of these activities. The maximum acreage eligible for assistance is 10 acres for a non-resident of the area, 30 acres for a single person and 60 acres for the head of a family. The assistance paid totaled \$671,917 in 1964-65, and \$439,829 in 1966-67.

To assist in clearing land which is deemed suitable for agricultural purposes, the Province of Newfoundland provides grants of \$125 an acre for clearing and breaking with a limit of 5 acres per applicant but no limit on the applications per year. Other assistance provided for in this policy includes annual grants to a farmer of \$25 for road building, \$50 for improvement of old fields, and \$50 for stump and rock pile removal. Since the institution of the policy in 1956, a total of 6,597 acres have been cleared. The total expenditure under this policy in 1964-65 was \$71,218, of which the federal government contributed \$32,904; in 1966-67 expenditure totaled \$116,403, the federal government contributed \$56,132.

In 1956, the Province of Newfoundland instituted a program of bogland reclamation. The objective was to increase the production of winter livestock feed, pasture and vegetables. Assistance is available to a maximum of \$125 an acre for such activities as draining, rotovating, liming, fertilizing and seeding. The farmer is responsible for fencing and maintenance of the reclaimed area. The total assistance per farmer is set at 48 acres and \$6,000, with an annual limit of 15 acres. The policy also covers work done on community pastures. Since the institution of the program, 45 farmers and 10 community pastures have been assisted.

Much of the agricultural land area in Eastern Canada was laid out in small fields which hinder economic operation of modern farm machinery. Removal of the fencerows facilitates machinery operation but removal usually requires heavy and costly machinery. The provinces of Prince Edward Island and Ontario have programs which provide financial assistance to farmers for this purpose. The Ontario policy provides for a grant of 40 per cent of the cost of hired machinery to a maximum of \$500 per farmer.

The British Columbia Department of Agriculture provides financial aid in the form of term repayment loans to farmers for land-clearing purposes. An established farmer may borrow up to \$6,666 and a new farmer to \$5,880.

Drainage and Flood Control - Most provinces have assisted in financing improved drainage projects for many years. Assistance may be direct to individual farmers or to municipalities and drainage districts, and may be for open ditching or tile drainage. Provincial engineers usually provide the technical assistance required.

The objective of the Nova Scotia tile drainage policy is to assist farmers in draining potentially good agricultural land. Installation and transportation costs are subsidized by the provincial government. In recent years part of its contribution has been recovered from the federal government under ARDA agreements.

In New Brunswick, 50 per cent of the cost of tile drainage work and 75 per cent of the cost of main outlet drains is paid by the provincial government. The province recoups 50 per cent of the expenditure from the federal government under an ARDA agreement. The provincial government provides technical assistance, preliminary surveys, the preparation of plans and engineering assistance during construction, at no cost to the farmer.



To improve drainage of farmland the Province of Quebec financially assists in the cost of transporting and installing tile. The rate of subsidy depends upon the length of the tile drain installed and the distance of transport. Technical assistance is available to the farmer at no charge.

The Drainage Act of Ontario provided for a grant of one-third of the cost of engineering and construction of outlet ditches to municipalities in Southern Ontario and a two-thirds grant in the territorial districts of Northern Ontario. Effective April 1, 1966, a two-thirds grant for this work was made applicable throughout the province, half of which was recoverable from the federal government under an ARDA agreement.

Most capital construction undertaken by Conservation and Development areas in Saskatchewan is shareable with the federal government under ARDA agreements. Sharing arrangements vary but in general they provide that local organizations contribute 25 per cent of the cost of capital works associated with flood control and 50 per cent of the cost of works associated with straight drainage. Administration and technical services are provided free-of-charge by the provincial government throughout the lifetime of any project. In addition, the provincial government pays a third of the cost of approved maintenance programs.

Farm and Community Water Supply - To assist in obtaining a farm water supply, the Province of Quebec subsidizes both the establishment of farm ponds and the drilling of wells. Since 1963, a subsidy is available of 15 cents a cubic yard of extracted material, up to \$500 per applicant, for the establishment or improvement of a farm pond. The minimum size of pond eligible for assistance is a water area of 6,000 square feet with

a depth of 10 feet for 25 per cent of the surface area. The subsidy can be obtained only once for a given pond. In 1966-67, a total of \$76,206 was contributed towards the construction of 172 farm ponds. A farm owner or farm tenant may obtain financial assistance at the rate of \$3 a foot, to a maximum of \$900, for the mechanical drilling of a well. A subsidy of \$490,117 was paid for the drilling of about 550 wells in 1966-67.

To assist farmers in Northern Ontario secure adequate farm water supplies, the provincial government pays a subsidy where the total cost is in excess of \$200; no subsidy is to exceed \$300. The construction of farm ponds is also subsidized in Ontario.

Beginning in 1961 and terminated March 31, 1967, the federal and Saskatchewan governments shared equally 70 per cent of the cost of community wells constructed by rural municipalities. Some 140 municipalities participated in this program. A total of 266 projects were constructed at an average cost of \$1,996. The program provided water supplies in districts which had a long history of water shortages and yields useful ground water information in many parts of the province.

Soil Conservation - Soil conservation problems receive attention from all provincial governments but the most comprehensive soil management programs exist in the Prairie Provinces. The drought and soil erosion of the prairies in the 1930's made farmers and governments in this region very erosion control conscious. The Prairie Farm Rehabilitation Administration of the federal government established in 1935, demonstrated the benefits of erosion control measures such as the planting of windbreaks, maintaining trash cover on the soil, grassing of waterways, and crop rotations.

The governments of the Prairie Provinces have broadly based conservation programs which usually include extension, regulation, applied research, demonstration and technical assistance. Financial assistance is available to farmers and municipalities for the purchase of materials, equipment and labor for erosion control projects on farms such as filling and stabilizing gullies, contour planting and terracing. The federal government is a financial participant in many projects, under ARDA agreements.

In Alberta, farmers receive government assistance to the extent of two-thirds of the cost of erosion control projects. Local municipal governments contribute one-sixth of the cost and the provincial and federal governments each contribute 25 per cent. Federal participation in the program started with an ARDA agreement in 1966.

The Province of Saskatchewan pays 50 per cent of the cost of channel improvement and maintenance for water erosion control on a watershed basis, and to farmers for control of individual gullies in areas outside well defined watersheds. Instituted in 1956, the annual cost to the government has ranged from \$1,000 to \$3,000 for gully control and from \$5,000 to \$8,000 for erosion control. The total cost to the provincial government from 1956 to 1966 was more than \$82,000.

To encourage farmers to convert unmanageable gullies into workable grassed waterways, the Government of Manitoba will pay half the cost of operating large earth moving equipment such as graders and bulldozers, up to a maximum of \$100 per farm per year. Grass seed to plant in the reshaped waterway may be obtained through the soil conservation forage seed policy at \$2 an acre. Technical assistance is provided free of charge. The objective of the soil conservation forage seed policy is to encourage



farmers to seed forage crops on land not well suited to annual crop production because of erosion, topography, salinity, stoniness, coarse textured soils, low fertility and droughtiness. Enough seed of the recommended grass-legume mixtures to sow 10, 20 or 30 acres per year is available at \$2 an acre, about half the retail cost.

Soil and crop improvement associations and soil conservation clubs operate in a number of provinces. Such organizations encourage farmers to use good soil management practices. To assist them in their efforts they receive technical assistance and sometimes financial support from the provincial government.

Irrigation - In Eastern Canada, New Brunswick has attempted to encourage farmers to use irrigation in the commercial production of horticulture or field crops. Since April 1, 1965, the provincial government assists with the purchase of equipment for supplemental irrigation by paying up to 40 per cent of the initial cost or to a maximum of \$800, whichever is the lesser. Up to 75 per cent of the cost of construction of approved water supplies for irrigation purposes is also paid. The federal government contributes 50 per cent of the provincial grant under an ARDA agreement.

In Western Canada, Alberta and Saskatchewan assist irrigation projects. In Saskatchewan, technical and extension services are provided to groups interested in developing or improving irrigation schemes. Irrigation specialists work directly with the farmers, helping to establish the project. A technical and financial assistance policy was instituted in 1966-67 under which grants of a third of the cost to a maximum of \$3,000 is provided for the development of gravity type irrigation systems ranging in size from 10 to 100 acres. Under its irrigation policy, the Province

of Alberta provided financial assistance to irrigation water users of \$126,000 in 1966-67. The province maintains a field survey staff of irrigation specialists who assist in developing new irrigation projects, maintenance of older districts, and assist new settlers on irrigated land. The province of Alberta owns and operates three irrigation developments, a number of others are owned and operated by users.

Community Pastures and Crown Ranges - Previous to federal government participation in financing their construction and development under ARDA agreements, there were few community pastures in Canada outside of the Prairie Provinces. With federal financial assistance to construct and develop community pastures on land suitable for pasture but marginal to sub-marginal for crop production, community pastures increased in all provinces. The number of pastures in operation in 1966-67 ranged from 3 in Nova Scotia to 169 in Saskatchewan; the number of cattle pastured in community pastures ranged from about 350 in Newfoundland to more than 166,000 in Saskatchewan.

In Saskatchewan in 1966-67, the provincial Department of Agriculture operated 43 provincial and ARDA community pastures containing 571,890 acres. Grazing was provided for 54,157 adult cattle, 22,441 calves and 789 sheep, from 2,895 farmers. Operating costs totaled \$632,883 and gross revenue totaled \$613,312. The comparative costs and revenues of community pastures operated by the government of Saskatchewan from 1956 to 1966 are shown in Table 20. In only 6 of the 11 years did the grazing fees charged equal or exceed the operating costs. During this period the number of cattle pastured increased from 16,436 to 54,157.

The Saskatchewan Government leases provincial lands, when available, to grazing associations. In 1966-67, 120 association pastures were operated and controlled, for the most part, by co-operative grazing associations, to provide grazing for livestock owned by members. The acreage controlled by these associations totaled 569,389 and the carrying capacity was estimated at 22,557 head. In addition there were 6 municipal government operated pastures with 19,055 acres of provincial lands under their control.

TABLE 20.- NUMBER OF PASTURES OPERATED, NUMBER OF CATTLE PASTURED, COMPARATIVE COSTS AND REVENUES, PROVINCIAL COMMUNITY PASTURES, SASKATCHEWAN, APRIL 1, 1956 TO MARCH 31, 1967

Fiscal Year	Pastures operated	Cattle pastured	Operating costs per head <sup>a/b/</sup>	Gross Revenue per head <sup>a/c/</sup>	Fees charged per head <sup>a/</sup>
	- number -			- dollars -	
1956-57	16	16,436	7.25	6.00	5.88
1957-58	17	17,359	8.21	7.85	7.43
1958-59	20	18,670	9.17	8.15	7.62
1959-60	24	22,311	8.40	9.14	8.70
1960-61	26	25,335	8.04	9.20	8.67
1961-62	25	26,824	8.54	8.87	8.37
1962-63	26	28,461	8.37	11.20	10.05
1963-64	30	35,207	8.47	11.81	10.85
1964-65	33	42,369	8.42	11.41	10.92
1965-66	36	46,998	9.14	11.51	11.03
1966-67	43	54,157	11.69	11.32	11.02

<sup>a/</sup> Per head of cattle, calves excluded.

<sup>b/</sup> Operating costs include labor, taxes, breeding services, vaccinations, spraying, bull inventory, miscellaneous upkeep, but does not include office administration.

<sup>c/</sup> Gross revenue includes sales of hay, livestock, old wire, house rental, and grazing fees.

Source: Sixty-second Annual Report of the Department of Agriculture of the Province of Saskatchewan, 1966-67. Table 31, p. 148.



Utilization of community pastures in some of the other provinces in 1966-67 was as follows: Manitoba - 20 pastures provided grazing for 21,258 cattle and 5,118 calves, from 1,146 patrons; Nova Scotia - 3 pastures operated by the Department of Agriculture and Marketing provided grazing for 1,900 cattle and 708 ewes, 5 co-operative pastures also operated; Newfoundland - 4 pastures under development provided grazing for 350 cattle and 1,500 sheep and lambs. In British Columbia, 7 community pastures under development by the Forest Service provided grazing for 2,129 cattle and 53 horses, from 90 patrons.

The provinces of Alberta and British Columbia own large acreages of land which are not suitable for arable culture but are suitable for grazing. Grazing rights to these lands are given to farmers and grazing associations under leases which give exclusive grazing rights for a specified number of years, and under permits which give a permissive right to graze a specified number of animals for a definite period. Permits are issued annually. There are about 5 million acres in Alberta and 4.3 million acres in British Columbia, of open range and open forest owned by the provinces, used for livestock grazing to supplement the alienated farm and ranch land. In general, grazing fees are calculated by a formula which gives consideration to productivity of the range and price of cattle. In both provinces, most ranges are reported to be stocked to capacity and the demand for use exceeds allowable limits. To encourage development and improvement of the ranges, both provincial governments, provide assistance for grazing lessees to improve pasture by clearing bush, developing water supplies, and other range improvements.

Settlement of Crown Lands - All Crown lands for settlement, outside of the Northwest Territories and the Yukon, are under the jurisdiction of the provincial governments. Practically no promotional effort is being given to settlement of Crown lands for agricultural use, because most of the land is not suitable for arable culture under present economic conditions. In all provinces, only land with a suitable agricultural potential will be rented or sold for that purpose.

The Peace River area of Alberta and British Columbia is probably the largest area of potentially arable land in Canada. In Alberta, homesteaders may purchase up to 640 acres of land. Payment is made on the appraised long-term value. The settler must clear the land, grow a crop on it and live on it, to obtain title. Cultivation leases may be issued on areas up to 320 acres, for any term up to 10 years, where at least a quarter of the area is suitable for cultivation. The lessee is required to pay a cash rental based on a percentage of the assessed value plus an amount equal to the taxes assessed against the land. In British Columbia, agricultural leases will only be considered for vacant Crown land which is at least 50 per cent arable. No person is entitled to lease more than 1,280 acres of Crown land for agricultural purposes at any one time. When a lessee has cleared and cultivated at least 80 per cent of the arable acreage, he may apply to purchase the land. For farming enterprises of a specialized nature such as chicken farms, truck gardens, orchards or vineyards, applications will be considered for lease of up to 40 acres of Crown land which may be less than 50 per cent arable.

Surveyed, unoccupied Crown land in British Columbia, may be pre-empted for agricultural purposes. The pre-emption may not exceed 160

acres and 50 per cent of the area must be arable. The pre-emptor is entitled to Crown grant of the land upon payment of a fee and following completion of all conditions as to occupancy and development. Persons who have obtained Crown grants and who can prove that they require additional land for agricultural purposes, may obtain an additional pre-emption of land.

In Saskatchewan, provincial lands may be leased according to their suitability for cultivation, grazing or hay. Control is exercised over leased land to ensure that only suitable land is broken for crops and that pastures are properly utilized. Assistance is available to finance the clearing and breaking of leased land suitable for arable culture. Lessees holding cultivation and grazing leases may apply to purchase the lands after holding the lease for at least five years. Cultivation lease lands sold must have a minimum of 40 acres under cultivation on each quarter-section (160 acres); grazing lease land sales may not exceed 640 acres.

Between 1949 and 1965, the Saskatchewan Department of Agriculture undertook a number of demonstrational livestock and crop production projects in the northern part of the Province. The objective was to demonstrate the feasibility and value of livestock and crop production in the far north. In 1965-66, what is known as the Cumberland House Project was established on the North Saskatchewan River Delta. The farm is being developed as a pilot project in the establishment of native people of the area on commercial farms. Land in this region is cleared, drained and leased to settlers; breeding stock is provided under rental purchase agreements, and farm machinery is available for rental. Training courses in farm operation are provided.



The Province of Ontario has special assistance programs for settlers in Northern Ontario, most of whom have been there for some years; and the Province of Quebec has special programs for farmers in settlement areas. Included in these programs are loans to assist in financing clearing, breaking and draining of land, and subsidies for the purchase and transportation of basic herd livestock, machinery and agricultural limestone; and the development of farm water supplies.

The Province of Newfoundland will undertake the drainage of large bogland areas to provide for the orderly development of bogland farms. The applicant for assistance must undertake to properly utilize the bog for agricultural purposes following drainage, under a long-term lease. The maximum number of acres that will be drained for one farmer is 48. Costs in excess of \$125 an acre must be paid by the farmer.

#### FARM CREDIT

The problem of financing farming in Canada began receiving government attention during the second decade of this century when some provincial governments began lending to agriculture. Between 1912 and 1922 credit agencies were organized under legislation in seven provinces. The objective was to make lending facilities more readily available for farmers, to make credit available at interest rates lower than those charged by private lenders, and to help meet the demand for credit funds of an expanding agriculture industry. Before the entry of the provincial governments into this field it had been occupied almost exclusively by mortgage, loan and insurance companies.

Under authority of the Canadian Farm Loan Act passed by Parliament in 1927, the federal government commenced to make loans in 6 provinces in 1929, and under an amendment to the Act in 1935 became operative in all provinces. Upon entry of the federal government, the provinces withdrew from this lending field. However, in 1936, the Province of Quebec passed legislation establishing the Quebec Farm Credit Bureau.

During the 1940's the federal government expanded its credit granting activities with the passage of the Veteran's Land Act in 1942 and the Farm Improvement Loans Act in 1944. Following their withdrawal from the agricultural credit field in the early 1930's the provinces (Quebec excepted) remained relatively inactive until the 1950's. Increasing demands for capital to establish and operate economic farm units were not being met by existing credit facilities and the provinces again became active. New farm credit legislation was passed in Ontario in 1952, Newfoundland in 1953, Nova Scotia in 1954, Alberta in 1957, Manitoba in 1958 and Prince Edward Island and Saskatchewan in 1959. In 1959, too, the federal government provided for increased activity in agricultural mortgage lending when it replaced the Canadian Farm Loan Act with the Farm Credit Act.

A recent estimate places the governments' share of the total outstanding debt in agriculture at more than 35 per cent; the federal Farm Credit Corporation alone holding almost 24 per cent. Government lending to agriculture has been largely in the field of long-term mortgages. Estimates place the governments' share of long-term farm credit extended in 1967, as well as the total amount outstanding, at more than 90 per cent (Tables 21 and 22). Governments, generally, have avoided direct participation

TABLE 21.- ESTIMATED FARM CREDIT OUTSTANDING 1960 TO 1967

Source and term of credit	Estimated farm credit outstanding						Estimated interest charge 1967	Estimated average interest rate	Outstanding as a per cent of 1967 total
	1960	1961	1962	1963	1964	1965			
- millions of dollars -									
- per cent -									
Long term (over 10 years)									
Farm Credit Corporation	158.4	212.1	270.3	341.2	443.6	586.4	748.5	915.8	23.7
Veterans' Land Act	91.2	96.6	102.8	110.8	114.6	124.4	147.3	172.3	4.5
Provincial government agencies	160.0	182.7	204.0	228.3	254.0	275.9	302.2	332.3	8.6
Private individuals	31.0	33.0	34.0	36.0	40.0	45.0	61.0	65.0	1.7
Insurance, trust and loan companies	12.0	15.0	19.0	25.0	30.0	38.0	50.0	56.0	1.5
Treasury Branches (Alberta)	1.2	1.3	1.3	1.3	0.9	1.3	0.7	0.9	-
Railway and land companies	1.6	1.3	0.9	0.6	0.1				
Total long term	455.4	542.0	632.3	743.2	883.2	1,071.0	1,309.7	1,542.3	40.0
Intermediate term (18 months to 10 years)									
Banks (FILA)	178.1	193.8	212.6	241.3	273.1	340.9	399.1	432.6	11.2
Private individuals	300.0	312.0	319.0	342.0	382.0	432.0	483.0	538.0	13.9
Supply company finance	78.0	81.0	85.0	91.0	96.0	104.0	116.0	131.0	3.4
Insurance, trust and loan companies	4.0	5.0	7.0	7.0	10.0	12.0	16.0	19.0	0.5
Industrial Development Bank		0.2	4.2	8.0	12.0	18.0	20.0	22.0	0.6
Credit Unions	5.0	15.0	37.0	61.0	84.0	91.0	103.0	120.0	3.1
Municipal (Ontario T.D.A.)	4.2	4.9	5.6	6.4	7.4	8.1	9.0	10.0	0.3
Finance companies (cars and trucks)	10.0	12.0	14.0	16.0	18.0	20.0	20.0	23.0	0.6
Treasury Branches (Alberta)	0.4	0.6	0.4	0.2	0.3	1.7	1.4	1.9	-
Seeco (Saskatchewan)					0.1	0.4	0.6	1.3	-
Total intermediate term	579.7	624.5	684.8	772.9	882.9	1,028.1	1,168.1	1,298.8	33.6
Short term (up to 18 months)									
Banks (non FILA)	241.5	290.7	343.4	392.7	433.0	459.5	494.7	586.6	15.2
Supply company finance	178.0	184.0	192.0	203.0	215.0	230.0	243.0	261.0	6.8
Credit Unions	39.0	55.0	58.0	60.0	60.0	58.0	56.0	55.0	1.4
Finance companies (household and personal)	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	0.3
Dealers, stores, etc.	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	0.1
Private individuals	44.0	50.0	57.0	63.0	68.0	72.0	76.0	88.0	2.3
Treasury Branches (Alberta)	6.0	6.3	8.0	10.1	9.3	11.0	9.6	9.0	0.2
Unpaid taxes <sup>c</sup>	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.2	0.1
Total short term	523.8	601.9	674.8	745.8	802.8	848.6	897.9	1,018.8	26.4
Total all credit	1,558.9	1,768.4	1,991.9	2,261.9	2,568.9	2,947.7	3,375.7	3,859.9	100.0

<sup>a</sup>/ Preliminary.<sup>b</sup>/ Reflects a shift during 1966 and 1967 to personal loans.<sup>c</sup>/ Represents 1.5 per cent of total farm taxes. There is some question as to whether this item should be included.

Source: R.S. Rust, Farm Credit Reviewed, Canadian Farm Economics, Vol. 3, No. 4, October 1968.



TABLE 22.- ESTIMATED FARM CREDIT EXTENDED 1960 TO 1967

Source and term of credit	Estimated farm credit extended					Per cent of credit extended 1967
	1960	1961	1962	1963	1964	1967 <sup>a</sup>
- millions of dollars -						
Long term (over 10 years)						
Farm Credit Corporation	52.3	68.9	78.4	96.3	139.8	251.2
Veterans' Land Act	19.4	15.2	15.7	18.2	15.9	31.3
Provincial government agencies	37.0	38.1	39.0	40.4	49.4	63.6
Private individuals	7.0	8.0	8.0	9.0	10.0	16.0
Insurance, trust and loan companies	3.0	4.0	5.0	6.0	7.0	13.0
Treasury Branches (Alberta)	1.6	1.6	1.4	1.2	0.3	0.8
Railway and land companies	0.4	0.4	0.2			
Total long term	120.7	136.2	147.7	171.1	222.4	375.9
Intermediate term (18 months to 10 years)						
Banks (FILA)	101.9	108.1	118.1	136.0	150.8	203.7
Private individuals	75.0	78.0	79.0	85.0	95.0	134.0
Supply company finance	29.0	27.0	28.0	30.0	32.0	43.0
Insurance, trust and loan companies	0.5	1.0	2.0	2.0	3.0	4.0
Industrial Development Bank		0.2	0.4	4.8	5.9	6.1
Credit Unions	4.0	7.0	20.0	37.0	51.0	90.0
Municipal (Ontario T.D.A.)	1.3	1.3	1.4	1.6	1.9	2.5
Finance companies (cars and trucks)	8.0	9.0	11.0	12.0	14.0	16.0
Treasury Branches (Alberta)	0.3	0.3	0.4	0.2	0.3	
Sedco (Saskatchewan)					0.1	
Total intermediate term	220.0	231.9	260.3	308.6	354.0	500.3
Short term (up to 18 months)						
Banks (non FILA)	302.0	363.0	428.0	491.0	541.0	733.0
Supply company finance	237.0	245.0	256.0	271.0	287.0	348.0
Credit Unions	51.0	63.0	72.0	75.0	75.0	69.0
Finance companies (household and personal)	6.0	8.0	9.0	10.0	12.0	15.0
Dealers, stores, etc.	25.0	24.0	22.5	21.0	19.5	15.0
Private individuals	55.0	62.0	71.0	77.0	85.0	110.0
Treasury Branches (Alberta)	8.0	9.5	12.0	14.2	12.5	13.1
Total short term	684.0	774.5	870.5	959.2	1,032.0	1,303.1
Total all credit	1,024.7	1,142.6	1,278.5	1,438.9	1,608.4	2,179.3

<sup>a</sup> Preliminary.Source: R.S. Rust, Farm Credit Reviewed, Canadian Farm Economics, Vol. 3, No. 4, October 1968.

in the intermediate and short-term credit fields. Some, however, have encouraged private lenders to disburse intermediate-term loans to farmers by guaranteeing such loans.

Brief descriptions of agricultural legislation in force in recent years follows:<sup>1/</sup>

#### Federal Legislation

Farm Credit Corporation - The Farm Credit Corporation was established by Act of Parliament on October 5, 1959 to replace the Canadian Farm Loan Board. The objective of the Corporation is to provide long-term mortgage credit to assist farmers organize viable family farm businesses.

The Corporation may lend to persons whose principal occupation is farming, and to co-operative farm associations and family farm corporations. Farming being defined as livestock raising, dairying, fruit farming and all tillage of the soil. The eligibility of co-operative farm associations and the family farm corporations has been a recent inclusion in the Act. To be eligible for a loan the co-operative farm association must be incorporated under legislation of a province, and its members must be principally engaged in producing agricultural products on a co-operative basis. Similarly, the family farm corporation must be principally engaged in producing agricultural products, at least 95 per cent of the shares must be owned by persons that are related to one another either through blood relationship, marriage or adoption, and not less than 51 per cent of the shares must be owned by the actual operator or operators of the farm. An amendment in 1962 made part-time farmers whose principal source

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<sup>1/</sup> For a more detailed description of agricultural legislation in Canada see: R.S. Rust, Farm Credit Legislation in Canada, Canada Department of Agriculture, Pub. 1360, 1967.

of income is the farm eligible for loans. A loan may be refused to an applicant who is able to obtain adequate financing to complete a family farm unit from other sources.

Loans may be used to acquire farmland; erect or modernize farm buildings; purchase basic herd livestock and necessary farm equipment; purchase lime, fertilizer and seed to establish permanent plantings; discharge liabilities; or for any other purposes which the corporation may consider necessary for the organization and operation of an economic family farm unit.

The Act provides for two types of loans. Under Part II of the Act loans may be made on the security of land only. Effective in June 1964, the maximum loan was set at \$40,000, previously it had been \$20,000. The interest rate is set at 5 per cent on the first \$20,000 of a Part II type loan. On any portion in excess of this amount the interest rate is related to the cost of funds borrowed by the corporation from the Minister of Finance. Term life insurance to the extent of the policy is available to the borrower.

Part III of the Act is designed to help young farmers become established on economic farm units. To be eligible the prospective farmer must be between 21 and 45 years of age and have at least 5 years of farming experience. Loans may be made on the security of land, livestock and equipment. The maximum loan is \$55,000 or 75 per cent of the appraised value of the farmlands, basic herd livestock and necessary farm equipment. The young farmer must accept supervision of his farm operations by farm management advisory personnel of the Corporation. The interest rate is 5 per cent on the first \$27,500 of a Part III type loan. On any portion



in excess of this amount the interest rate is related to the cost of funds borrowed by the Corporation from the Minister of Finance. The borrower must purchase life insurance to the extent of the loan.

Repayment terms were amended in June 1967, to allow postponement of principal payments for periods up to 5 years on a 30-year loan. Interest only may be charged during those early years. The objective is to assist new borrowers with long-range plans for developing their farms, where it may be some years before the full earning potential of the farm business is developed. Loans that would be eligible for this type of an agreement are those for substantial land-clearing projects, planting and development of orchards, and establishment of livestock enterprises.

The total number of loans disbursed under the Farm Credit Act and its predecessor, the Canadian Farm Loan Board, from 1929-30 to 1966-67 was 117,763; the total amount disbursed was \$1,076.6 million, \$907.7 million of it after 1958-59 (Table 23). Between 1958-59 and 1966-67, the annual amount of loans disbursed increased from \$28.4 million to \$234.4 million; and the average size of loan increased from \$6,089 to \$20,155 (Table 24). About 59 per cent of the lending activity has been in the Prairie Provinces, 23 per cent in Ontario, 9 per cent in Quebec, 6 per cent in British Columbia, and 3 per cent in the Atlantic Provinces (Table 25). From 1959-60 to 1966-67, between 70 and 80 per cent of the loan funds approved each year were for the purchase of land and payment of land-secured debt (Table 26).

Farm Machinery Syndicates Credit - Under the Farm Machinery Syndicates Credit Act, which came into effective operation in January 1965, syndicates of three or more farmers may purchase machinery for co-operative use. The objective is to assist farmers meet some of the costs of ownership of necessary machinery and equipment. The Act is administered by the Farm Credit Corporation.

TABLE 23.- FARM CREDIT CORPORATION: LOANS DISBURSED AND OUTSTANDING BY FISCAL YEARS TO MARCH 31, 1967

Fiscal Year	Loans Disbursed		Cumulative Total of Loans Disbursed		Principal of Loans Outstanding End of Year	
	Number	Amount	Number	Amount	Number	Amount
	- dollars -			- dollars -		- dollars -
1929-1930	1,270	2,630,377	1,270	2,630,377	1,270	2,613,671
1930-1931	2,102	3,517,489	3,372	6,147,886	3,109	6,033,805
1931-1932	468	1,996,344	3,840	8,144,210	3,492	7,878,741
1932-1933	655	1,276,114	4,495	9,420,324	4,394	8,927,985
1933-1934	307	558,630	4,802	9,978,954	4,652	9,125,513
1934-1935	352	547,207	5,154	10,526,161	4,866	9,332,329
1935-1936	3,593	7,423,779	8,747	17,949,940	8,322	16,178,516
1936-1937	5,385	11,074,156	14,132	29,024,096	13,588	28,506,308
1937-1938	2,523	5,264,308	16,655	34,288,404	15,829	30,336,749
1938-1939	2,232	4,338,843	18,887	38,627,247	17,747	33,065,470
1939-1940	2,361	4,342,662	21,248	42,969,909	19,756	35,411,729
1940-1941	1,425	2,727,507	22,673	45,697,416	20,782	35,947,883
1941-1942	1,112	2,133,514	23,785	47,830,930	21,333	35,256,188
1942-1943	642	1,320,256	24,427	49,151,186	21,020	33,120,484
1943-1944	590	1,336,103	25,017	50,487,289	19,447	28,716,696
1944-1945	695	1,661,410	25,712	52,148,699	16,929	24,199,388
1945-1946	877	2,121,207	26,589	54,269,906	15,721	22,513,863
1946-1947	1,286	3,273,811	27,875	57,543,717	15,032	22,119,005
1947-1948	1,218	3,185,240	29,093	60,728,957	14,790	22,327,258
1948-1949	1,751	4,595,036	30,844	65,323,993	15,006	23,890,389
1949-1950	1,841	4,942,930	32,685	70,266,923	15,566	25,821,426
1950-1951	1,800	4,693,079	34,485	74,960,002	16,184	27,802,774
1951-1952	1,508	4,469,091	35,993	79,429,093	16,497	29,238,810
1952-1953	1,514	5,118,559	37,507	84,547,652	16,667	31,005,250
1953-1954	1,908	7,000,540	39,415	91,548,192	17,267	34,591,645
1954-1955	2,137	8,207,003	41,552	99,755,195	18,111	39,455,931
1955-1956	2,087	8,254,323	43,639	108,009,518	18,931	44,075,268
1956-1957	2,826	13,183,992	46,465	121,193,510	20,372	52,730,198
1957-1958	3,500	19,343,560	49,965	140,537,070	22,494	67,112,206
1958-1959	4,659	28,368,265	54,624	168,905,335	25,471	89,301,022
1959-1960	5,169	35,840,882	59,793	204,746,217	28,453	117,233,247
1960-1961	5,162	52,305,266	64,955	257,051,483	31,054	158,447,392
1961-1962	6,027	68,886,875	70,982	325,938,358	34,175	212,138,307
1962-1963	6,453	78,428,094	77,435	404,366,452	37,462	270,277,265
1963-1964	7,802	96,315,635	85,237	500,682,087	41,868	341,169,139
1964-1965	9,845	139,750,639	95,082	640,432,726	47,404	443,560,275
1965-1966	11,049	201,687,642	106,131	842,120,368	52,932	586,356,486
1966-1967	11,632	234,447,269	117,763	1,076,567,637	58,258	748,532,844

Source: 1966-67 Annual Report, Farm Credit Corporation.

TABLE 24.- AVERAGE AMOUNT OF LOAN DISBURSED BY THE CANADIAN FARM  
LOAN BOARD (1929-30 TO 1959) AND THE FARM CREDIT  
CORPORATION (1959 TO 1966-67)

Year	Average Amount of Loan Disbursed	Year	Average Amount of Loan Disbursed
	- dollars -		- dollars -
1929-30	2,071	1949-50	2,685
1930-31	1,673	1950-51	2,607
1931-32	4,266	1951-52	2,964
1932-33	1,948	1952-53	3,381
1933-34	1,820	1953-54	3,669
1934-35	1,555	1954-55	3,840
1935-36	2,066	1955-56	3,955
1936-37	2,056	1956-57	4,665
1937-38	2,086	1957-58	5,527
1938-39	1,944	1958-59	6,089
1939-40	1,839	1959-60	6,934
1940-41	1,914	1960-61	10,133
1941-42	1,919	1961-62	11,430
1942-43	2,056	1962-63	12,154
1943-44	2,265	1963-64	12,345
1944-45	2,390	1964-65	14,195
1945-46	2,419	1965-66	18,254
1946-47	2,546	1966-67	20,155
1947-48	2,615		
1948-49	2,624		

Source: Calculated from data in the 1966-1967 Annual Report, Farm  
Credit Corporation.



TABLE 25.- FARM LOANS DISBURSED BY CANADIAN FARM LOAN BOARD AND FARM CREDIT CORPORATION, BY PROVINCE, CANADA, 1929-1967

	Canadian Farm Loan Board				Farm Credit Corporation				Total	
	Number of loans	Amount lent thousand dollars	per cent	Average amount dollars	Number of loans	Amount lent thousand dollars	per cent	Average amount dollars	Number of loans	Amount lent thousand dollars
British Columbia	2,699	8,751	4.8	3,242	2,782	52,954	4.5	19,034	5,481	61,706
Alberta	9,954	28,147	17.5	2,828	15,043	231,092	24.6	15,362	24,997	259,239
Saskatchewan	13,366	48,328	23.5	3,616	17,998	241,572	29.5	13,422	31,364	289,899
Manitoba	6,342	19,885	11.2	3,135	4,557	64,880	7.5	14,237	10,899	84,765
Prairie Provinces	29,662	96,360	52.2	3,249	37,598	537,544	61.6	14,297	67,260	633,903
Ontario	9,745	43,296	17.2	4,443	13,172	200,912	21.6	15,253	22,917	244,208
Quebec	9,173	22,455	16.1	2,448	5,469	80,414	9.0	14,704	14,642	102,869
New Brunswick	1,749	3,721	3.1	2,128	684	8,468	1.1	12,380	2,433	12,189
Nova Scotia	1,638	3,537	2.9	2,159	380	4,929	0.6	12,971	2,018	8,466
Prince Edward Island	2,094	5,041	3.7	2,407	896	7,785	1.5	8,689	2,990	12,826
Newfoundland	-	-	-	-	22	401	0.1	18,227	22	401
Atlantic Provinces	5,481	12,299	9.7	2,244	1,982	21,182	3.3	10,687	7,463	33,882
Canada	56,760	183,160	100.0	3,227	61,003	893,407	100.0	14,645	117,763	1,076,568
									100.0	100.0

Source: 1966-67 Annual Report, Farm Credit Corporation.

TABLE 26.- DISTRIBUTION OF APPROVED LOAN FUNDS BY PURPOSE, FARM CREDIT CORPORATION, CANADA, 1959-60 TO 1966-67

Year	Land Purchase	Improvements	Payment of Land-Secured Debt	Other Debts	Livestock	Equipment	Sundry	Total
- per cent -								
1959-60	36.7	6.9	34.5	14.2	1.6	2.9	3.2	100.0
1960-61	53.8	6.1	25.4	9.3	2.5	1.5	1.4	100.0
1961-62	57.8	7.1	22.0	6.7	3.2	1.3	1.9	100.0
1962-63	55.5	8.5	23.2	7.1	3.1	1.2	1.4	100.0
1963-64	55.4	10.1	22.1	7.3	2.9	1.2	1.0	100.0
1964-65	54.5	11.7	18.1	10.3	2.9	1.2	1.3	100.0
1965-66	60.9	11.6	15.4	8.3	1.6	0.9	1.3	100.0
1966-67	61.2	13.9	13.5	7.2	1.3	1.1	1.8	100.0

The figures from 1964-65 to 1967-68 represent the percentage of new loan funds approved for each purpose. The figures from 1959-60 to 1963-64 represent the percentage of all loan funds approved in the year for each purpose. That is, they include new loan funds plus old loans refinanced under new agreements.

Syndicates may borrow up to 80 per cent of the cost of the machinery being purchased to a maximum of \$15,000 per member or \$100,000 whichever is the lesser. Loans are repayable by the syndicate in annual or semi-annual instalments of principal plus interest for a period not exceeding seven years. The term of repayment depends on the type of machine purchased and on the expected life of the machine. The interest rate on loans is prescribed by the FCC. It must be such that it covers the cost of money advanced to the Corporation for lending purposes, plus the cost of administering the loan, together with a reasonable reserve against loss. At the time of making the loan, there is a service charge made equal to 1 per cent of the amount of the loan.

From inception of the Act in January 1965, to the end of March 1967, 262 loans were approved for 217 syndicates with 843 members. Loans ranged from \$700 up to \$45,000 with an average of \$7,800. Of the 262 loans, 94 were in Alberta, 42 were in Ontario, 40 in Quebec, 40 in Saskatchewan, 35 in Manitoba, 8 in British Columbia and 3 in the Atlantic Provinces. Of the \$1,988,025 lent to syndicates, 36 per cent was in Alberta, 16 per cent in Ontario, 15 per cent in each of Saskatchewan and Quebec, 14 per cent in Manitoba, 3 per cent in British Columbia and 1 per cent in the Atlantic Provinces.

Net operating losses since the inception of the Act have been \$49,489 in 1964-65; \$51,205 in 1965-66; \$5,009 in 1966-67 and \$2,107 in 1967-68. There have been no capital losses.

Veterans' Land Act Administration - The Veterans' Land Act Administration was designed primarily for the rehabilitation of veterans of World War 2, and subsequently, veterans of the Korean War. Its main purpose was to



establish veterans as full-time farmers, part-time farmers or commercial fishermen. Financial assistance is also available for veterans who wish to build their own homes. Since its passing in 1942, the Act has undergone numerous revisions to adapt its provisions to changing economic conditions.

Veterans who meet certain service qualifications and are a good credit risk may obtain loans under this Act for the following purposes: to purchase land; to erect or improve buildings; to clear, break, drain, fence or irrigate land; to purchase basic herd livestock; to purchase farm equipment; to pay debts reasonably incurred by the veteran; and to develop a secondary non-agricultural enterprise.

The maximum outstanding loan for commercial farmers is \$40,000, and \$18,000 for small family farms. These loans are of the "open-end mortgage" type, that is, as the principal outstanding is reduced a farmer may reborrow up to the maximum permitted by the security or regulations. In no case may a loan exceed the debt carrying capacity of the farm. All full-time farming applicants must submit a proposed plan of farm operations and be establishing an economic farm unit.

The repayment period depends upon the type of loan required and may be up to 30 years. Repayment may be by way of a crop payment plan which provides for delivery of a share of the crop from a specified number of acres each year. Part I of the Act provides for a grant of up to \$2,320 on certain types of loans under specified qualifying conditions, one of which is that the veteran must remain on the farm for at least 10 years.

Under the regulations of the Act, the Director of the V.L.A. purchases the land and resells it to the borrower. The title to the property remains in the name of the Director until the mortgage is paid in full. Supervision of the farm operations is given until there is reasonable assurance the farmer is achieving his goals.

Almost 32,000 veterans have been established as full-time farmers under this Act. Most of the recent lending has been to part-time farmers, although full-time farmers still obtain loans, some for the first time and some for reborrowing. In 1966-67, 269 full-time farmers obtained their first loans from V.L.A., and 2,044 obtained additional loans (Table 27). The total amount borrowed by these full-time farmers was \$25.8 million. Part-time farmers took 4,140 new loans and 2,690 additional loans for a total of almost \$52.1 million.

In 1964-65, 766 farmers earned a total of \$1.7 million in conditional grants; in 1966-67, 478 farmers earned \$1.1 million (Table 28). The estimated cost of supervision and administration of loans to full-time farmers is about \$1.25 million annually.

Farm Improvement Loans - First passed by Parliament in 1944, the Farm Improvement Loans Act authorized banks to make intermediate and short-term loans to farmers "for improvement and development of farms and for the improvement of living conditions thereon" with a guarantee on a stated proportion of their losses. The legislation was operative by way of extensions, usually for three-year periods, from its inception in March 1945 to June 30, 1968.

Loans could be obtained by farmers for purchase of a wide range of agricultural implements and equipment; purchase of livestock (excluding short-term feeder cattle); purchase of stock and equipment for beekeeping; construction and repair of farm buildings (including the farmhouse); improvement and development of fencing, drainage, irrigation, wells and water supply systems, and breaking and clearing of land.

TABLE 27.-- VETERANS LAND ACT: NUMBER OF NEW LOANS AND ADDITIONAL LOANS, AND AMOUNT DISBURSED TO FULL-TIME AND PART-TIME FARMERS, 1943 TO 1966-67

Fiscal Year	Full-Time Farming			Part-Time Farming		
	New Loans	Additional Loans	Amount Disbursed	New Loans	Additional Loans	Amount Disbursed
1943 to March 31, 1947	13,094		58,647,971	11,285		42,591,989
1947-48	4,711		19,532,597	4,258		18,760,229
1948-49	2,689		15,701,977	3,290		16,325,150
1949-50	2,032		11,278,639	3,318		17,468,680
1950-51	1,261		7,112,170	3,102		16,551,122
1951-52	1,009		5,795,996	2,750		15,481,804
1952-53	1,002		4,979,452	3,103		14,834,258
1953-54	796		4,802,338	3,160		15,412,766
1954-55	739	419	5,020,934	2,780		15,900,110
1955-56	580	709	5,149,627	2,555		14,963,917
1956-57	471	698	4,889,063	1,849		11,990,244
1957-58	403	731	5,011,862	1,670		10,309,873
1958-59	443	830	5,359,000	1,666		10,319,260
1959-60	321	710	6,748,619	1,819		11,773,614
1960-61	313	1,925	16,668,856	1,786		13,853,806
1961-62	284	1,067	11,764,611	2,292	1,731	16,280,135
1962-63	263	1,118	10,593,644	2,994	1,874	25,599,192
1963-64	248	1,268	12,393,715	2,633	1,379	29,160,773
1964-65	241	1,201	10,966,374	2,407	1,379	24,782,688
1965-66	261	1,564	14,976,238	2,763	1,998	30,825,052
1966-67	269	2,044	25,774,772	4,140	2,690	52,071,394

Source: Veterans' Land Act Administration.



TABLE 26.- VETERANS LAND ACT: CONDITIONAL GRANTS AND ESTIMATED ADMINISTRATION COSTS OF LOANS TO FULL-TIME FARMERS, 1964-65, 1965-66, 1966-67

	1964-65			1965-66			1966-67		
	Conditional Grants	Administration	Total	Conditional Grants	Administration	Total	Conditional Grants	Administration	Total
	- dollars -								
British Columbia	112,888	38,648	151,536	112,001	37,642	149,643	59,324	42,628	101,952
Alberta	297,455	320,211	617,666	251,132	314,191	565,323	205,527	388,125	593,652
Saskatchewan	553,818	385,488	939,306	319,547	365,891	685,438	368,669	439,367	808,036
Manitoba	306,282	179,852	486,134	149,138	197,166	346,304	146,402	207,838	354,240
Ontario	369,093	135,606	504,699	343,329	127,688	471,017	215,248	116,168	331,416
Quebec	26,337	16,767	43,104	27,226	19,791	47,017	33,694	11,648	45,342
Atlantic Region	73,912	35,319	109,231	78,427	27,342	105,769	45,707	42,492	88,199
Head Office		139,572	139,572		141,065	141,065		144,556	144,556
Canada	1,739,785	1,251,463	2,991,248	1,280,800	1,230,776	2,511,576	1,074,571	1,392,822	2,467,393

Source: Data on conditional grants supplied by V.L.A.  
Administration costs estimated from data supplied by V.L.A.

Credit was provided on security related to the purchase or project. The maximum term depended on the purpose for which the loan was made - 2.5 years for trucks and station wagons, 5 years for most other implements and appliances, and 10 years for all other purposes. The interest rate was 5 per cent a year, considerably lower than the general level of interest rates in recent years. Under a 1964 amendment to the Act the maximum amount which a farmer could have outstanding in Farm Improvement Loans was set at \$15,000, previously it was \$7,500.

The federal government guaranteed each bank against losses sustained by it up to an amount equal to 10 per cent of loans granted by it in a lending period. This guarantee did not apply to a loan made after the aggregate of all loans made by all banks in a lending period reached an amount fixed by statute; the maximum during the last three-year lending period was \$700 million.

From 1945 to the end of 1967, a total of 1,419,093 loans was made for a total of \$2,146 million (Table 29). More than two-thirds of all loans made under the Act from 1945 to 1967 were made in the Prairie Provinces, with Alberta and Saskatchewan each taking about 28 per cent (Table 30). The average size of loan increased each year but remained far below the maximum amount available, at all times, being only \$2,602 in 1967 (Table 31).

About 80 per cent of the loans made under the F.I.L.A. were for the purchase of agricultural implements, 8 per cent for the purchase of livestock, 8 per cent for construction, repair or alteration of buildings, and 4 per cent for other improvements (Table 32).

TABLE 29.- FARM LOANS MADE UNDER THE FARM IMPROVEMENT LOANS ACT, CANADA AND PROVINCES, 1944 TO 1967

Year	British Columbia	Alberta	Saskatchewan	Manitoba	Prairie Provinces	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfound- land	Atlantic Provinces	Canada
1944													
1945	66.8	1,250.4	834.5	537.4	2,662.4	523.5	112.0	26.4	23.2	7.4		57.0	3,381.7
1946	343.7	3,388.1	3,140.2	1,397.5	7,925.8	1,369.4	146.6	34.5	55.6	4.9		95.0	9,880.6
1947	444.1	6,537.9	6,464.3	2,518.4	15,520.5	1,845.8	246.4	46.4	46.4	11.4		104.0	18,160.8
1948	747.3	10,634.4	10,505.5	4,532.3	25,672.2	2,260.0	447.4	85.6	72.6	46.0		204.2	29,331.1
1949	1,358.7	14,659.5	16,497.4	7,242.3	38,399.2	4,260.5	1,341.9	182.3	132.5	204.1		518.8	45,879.1
1950	1,710.0	18,508.7	22,557.4	8,264.0	49,330.1	8,043.8	3,097.2	358.8	274.9	605.5		1,240.2	63,421.4
1951	2,070.5	23,240.8	27,876.9	11,370.8	62,488.5	12,178.5	6,125.6	696.8	619.7	1,144.3		2,463.2	85,326.2
1952	2,213.8	26,495.2	35,365.3	11,225.4	73,085.9	12,245.8	7,128.8	926.5	852.3	1,756.1		3,584.8	98,259.2
1953	2,605.4	26,207.4	33,309.5	10,639.2	70,156.1	12,971.3	8,722.2	926.0	945.9	1,497.6		3,437.7	97,892.8
1954	2,285.8	15,055.4	14,960.4	6,375.4	36,391.2	12,380.6	8,434.6	720.0	866.2	922.2		2,581.5	62,073.8
1955	2,482.4	16,629.0	16,585.6	6,875.1	40,089.7	13,647.6	9,812.2	922.9	998.9	1,106.1		3,073.7	69,105.5
1956	2,128.8	16,109.1	18,485.0	7,732.8	42,326.9	12,631.6	10,961.0	815.2	893.3	990.2		2,771.0	70,819.3
1957	1,990.2	16,923.7	15,857.0	7,104.4	39,885.1	13,043.0	11,862.4	688.2	852.8	1,047.5		2,647.1	69,427.9
1958	2,653.2	21,793.1	19,766.5	8,876.2	50,435.8	17,735.2	16,442.7	946.6	989.5	1,265.0		3,272.8	90,539.7
1959	3,091.3	24,584.3	23,506.8	10,425.6	58,516.6	19,110.0	14,677.6	865.6	1,046.1	1,065.6		3,032.0	98,427.5
1960	2,865.7	24,637.4	28,222.4	11,010.9	63,870.7	18,737.2	13,019.9	1,022.9	858.1	1,407.8		3,362.4	101,855.7
1961	4,109.6	28,519.7	21,302.3	9,545.1	59,367.1	22,902.0	18,101.1	1,086.6	1,072.1	1,412.1		3,667.3	108,147.2
1962	4,368.8	34,886.4	31,828.5	15,036.5	81,751.4	23,436.2	5,515.9	790.3	986.3	1,180.6		3,016.9	118,089.2
1963	4,465.0	37,763.1	41,639.2	16,877.1	96,279.3	26,472.2	5,598.7	848.5	864.7	1,348.5		3,039.4	135,954.6
1964	4,967.6	42,187.5	45,165.1	19,982.9	107,335.6	29,149.9	5,840.0	1,000.7	1,011.7	1,467.7		3,543.3	150,836.3
1965	6,406.5	58,634.7	64,149.3	25,533.3	148,317.3	38,324.2	4,862.0	1,539.1	1,127.6	2,082.8		4,797.0	202,706.9
1966	7,542.7	63,160.1	68,084.1	26,623.2	157,867.4	41,348.3	1,173.8	1,303.6	982.5	2,532.4		4,864.2	212,796.5
1967	7,571.8	65,256.6	58,802.3	23,634.3	155,265.0	42,915.9	1,079.2	980.4	1,146.9	2,242.3		4,404.7	203,664.9
Total													
1945-67	68,489.8	597,062.5	624,905.4	253,360.3	1,482,899.9	387,532.6	154,749.2	16,814.1	16,719.5	25,348.2	996.5	59,878.2	2,145,977.9

£/ The Farm Improvements Loan Act came into force March 1, 1945. 1945 figures refer to the 10 month period, March 1, 1945 to December 31, 1945.

Source: Farm Improvement Loans Act, Annual Reports, Department of Finance.



TABLE 30.- FARM IMPROVEMENT LOANS ACT, LOANS BY PROVINCES, 1945-1967

	Loans Made		Amount Lent		Average Size of Loans
	number	per cent	dollars	per cent	dollars
British Columbia	41,226	2.9	68,489,767	3.2	1,661
Alberta	395,845	27.9	597,060,485	27.9	1,508
Saskatchewan	410,023	28.9	624,906,021	29.1	1,524
Manitoba	172,424	12.1	253,360,300	11.8	1,469
Prairie Provinces	978,292	68.9	1,475,326,806	68.8	1,508
Ontario	239,296	16.9	387,534,068	18.0	1,619
Quebec	113,348	8.0	154,748,970	7.2	1,365
New Brunswick	11,893	0.8	16,814,076	0.8	1,414
Nova Scotia	13,863	1.0	16,719,454	0.8	1,206
Prince Edward Island	20,544	1.4	25,348,204	1.2	1,234
Newfoundland	631	0.1	996,516	0.0	1,579
Atlantic Provinces	46,931	3.3	59,878,250	2.8	1,276
Total	1,419,093	100.0	2,145,977,861	100.0	1,512

Source: Farm Improvement Loans Act Annual Report 1967, Department of Finance.

TABLE 31.- NUMBER AND AVERAGE SIZE OF LOANS MADE UNDER THE FARM  
IMPROVEMENT LOANS ACT, CANADA, 1945 TO 1967

Year	Loans Made	Average Size of Loan
	- number -	- dollars -
1945 <sup>a/</sup>	4,311	784
1946	13,030	758
1947	22,046	824
1948	30,431	964
1949	44,775	1,025
1950	58,969	1,075
1951	75,063	1,137
1952	83,315	1,180
1953	83,962	1,166
1954	58,572	1,060
1955	60,755	1,137
1956	60,180	1,177
1957	57,988	1,199
1958	70,278	1,288
1959	71,143	1,384
1960	68,041	1,497
1961	70,615	1,531
1962	72,621	1,626
1963	77,373	1,757
1964	80,632	1,871
1965	91,191	2,223
1966	85,553	2,488
1967	78,249	2,602
Total	1,419,093	1,512

<sup>a/</sup> 10 months only.

Source: Farm Improvement Loans Act, Annual Report 1967, Department  
of Finance.

TABLE 32.- FARM IMPROVEMENT LOANS ACT, LOANS BY PURPOSES, 1945-1967

	Loans Made		Amount Lent	
	number	per cent	dollars	per cent
Purchase of agricultural implements	1,140,488	80.4	1,703,138,797	79.4
Construction, repair or alteration of or making additions to any building or structure on a farm	109,006	7.7	235,096,363	10.9
Purchase of livestock	110,093	7.7	146,258,993	6.8
Other improvements	59,506	4.2	61,483,708	2.9
Total	1,419,093	100.0	2,145,977,861	100.0

Source: Farm Improvement Loans Act, Annual Report 1967, Department of Finance.



Claims paid by the federal government under the repayment guarantee, between 1945 and 1967, totaled 3,432 about 0.2 per cent of all loans made (Table 33). Claims paid, plus interest and collection costs, totaled \$2.7 million, just over 0.1 per cent of the total amount extended in loans, and of this amount \$361,527 were later recovered.

Prairie Grain Advance Payments - The Prairie Grain Advance Payments Act was passed in 1957 to provide prairie farmers, who had wheat which they were unable to deliver due to lack of available elevator space, with funds to pay accumulated expenses which had been incurred for farm operations. The Act authorized the Canadian Wheat Board to advance money to the farmer on the security of grain held on the farm for future delivery to the Board. The Board may make advance payments at the rate of 50 cents per bushel for wheat, 20 cents per bushel for oats and 35 cents per bushel for barley stored on the producer's farm, subject to a limitation of the deliverable quantity of grain and to a maximum amount of \$3,000 for each applicant. Repayment of a loan is made by deducting 50 per cent of the initial payment for all grain delivered subsequent to the loan, except that delivered under a unit quota. The loan is available without interest for the period until elevator space becomes available, the cost of interest being borne by the federal government.

During the period August 1, 1957 to July 31, 1967, the number of farmers applying for cash advances under the Act varied from 22,342 to 76,089 per year (Table 34). The average size of the advance varied from \$698 to \$980. Total advances were as high as \$63.9 million, in 1960-61. The cost to the federal government for interest charges and defaulted payments for the period 1957-58 to 1966-67 amounted to \$6.7 million.

TABLE 33.- FARM IMPROVEMENT LOANS ACT: CLAIMS, INTEREST AND COLLECTION COSTS PAID BY THE FEDERAL GOVERNMENT  
UNDER TERMS OF THE ACT, 1965, 1966, 1967 AND TOTAL 1945 TO 1967

	1965		1966		1967		Total	
	Number	Amount dollars	Number	Amount dollars	Number	Amount dollars	Number	Amount dollars
British Columbia	7	9,867.99	8	8,766.86	10	13,814.86	91	100,441.55
Alberta	46	32,955.10	39	43,347.74	60	58,362.42	821	586,875.67
Saskatchewan	38	32,273.60	31	28,467.42	36	32,675.28	922	672,192.69
Manitoba	19	16,097.72	14	9,909.24	15	14,635.57	259	216,612.69
Ontario	34	31,608.78	61	77,586.72	60	66,610.64	505	432,204.80
Quebec	67	66,303.41	75	73,151.10	83	121,607.28	559	488,451.18
New Brunswick	9	8,220.55	5	1,638.06	2	1,121.60	62	44,304.40
Nova Scotia	1	253.06	2	375.15	5	10,380.73	51	35,920.96
Prince Edward Island	8	4,792.31	8	4,967.29	13	18,578.03	154	98,124.72
Newfoundland					1	1,607.15	8	6,878.45
Total	229	202,372.52	243	248,209.58	285	339,393.56	3,432	2,682,007.11

Source: Department of Finance.

TABLE 34.- PRAIRIE GRAIN ADVANCE PAYMENTS ACT, NUMBER AND AMOUNT OF ADVANCES AND COST TO THE FEDERAL GOVERNMENT, 1957-58 TO 1966-67

Year	Number of Applications	Total Advances	Average Advance	Percentage Refunded	Cost to Government
		million dollars	dollars	per cent	thousand dollars
1957-1958	50,412	35.2	698	99.9	
1958-1959	45,341	34.4	758	99.9	893
1959-1960	50,047	38.5	769	99.9	756
1960-1961	76,089	63.9	840	99.9	1,297
1961-1962	22,342	16.7	746	99.9	625
1962-1963	39,683	29.2	737	99.9	478
1963-1964	63,427	62.1	980	99.9	864
1964-1965	38,375	33.0	859	99.8	543
1965-1966	43,509	40.6	933	99.7	669
1966-1967		36.7		96.2	583

Source: 1966-67 Annual Report of the Canadian Wheat Board.



Industrial Development Bank - Since 1961, this subsidiary of the Bank of Canada, may provide financing, usually in the form of mortgage loans, for new and existing agricultural enterprises whose owners require assistance for sound projects, and are unable to obtain the required financing elsewhere on reasonable terms and conditions. Loans are made through the chartered banks, and have no fixed limits. Realty or chattel mortgages are taken as security for loans. Interest rates are in keeping with the general level of interest rates in Canada. Repayment of a loan is usually by monthly instalments of interest and principal during a term arranged to suit the borrowers circumstances. During the seven years, 1961 to 1967, 1,052 loans of an average size of \$33,446 were made for agricultural purposes (Table 35). The total amount lent during the period was \$35.2 million. In 1967, 8 per cent of the loans made, and 6 per cent of the total amount lent, by the bank were classified as agricultural loans.

Central Mortgage and Housing Corporation - Farm owners whose principal income is derived from farming may obtain a loan for construction of a new house or the remodelling of an existing house, under the terms of the National Housing Act. The Central Mortgage and Housing Corporation, which administers the Act, insures loans made by approved lenders - life insurance companies, trust and loan companies and banks - and may make loans when insured loans are not available from approved lenders. The maximum loan for new construction is \$18,000 plus a 2 per cent insurance fee, and for existing construction, \$10,000 plus a 2 per cent insurance fee. The insurance fee is added to the mortgage and must be repaid over the term of the loan. The loan repayment period is usually 25 years but may be extended to 35 years if the lender agrees. Until 1967 when it was virtually freed from control, the interest rate was set by

the federal government at a level lower than that of general interest rates. Security for a loan is a first mortgage on land and buildings. Repayment may be made in instalments at such times throughout the year as will suit the farmer's income.

Farmers have made little use of this lending facility. Since 1955 only 34 loans have been made for farm houses, 9 of these by approved lenders and 25 by the C.M.H.C. No loans have been made by approved lenders since 1958 and none by C.M.H.C. since 1964.

TABLE 35.- INDUSTRIAL DEVELOPMENT BANK: NUMBER AND AMOUNT OF AGRICULTURAL LOANS, FISCAL YEARS ENDING SEPTEMBER 30, 1961 TO 1967

Year	Number of Loans	Amount Lent	Average Size of Loan
		thousand dollars	- dollars -
1961	11	242	22,000
1962	106	4,127	38,934
1963	175	4,809	27,480
1964	201	5,892	29,313
1965	205	7,118	34,722
1966	185	6,876	37,168
1967	169	6,121	36,219
Total	1,052	35,185	33,446

Source: Annual Reports, Industrial Development Bank.

Provincial Legislation

British Columbia

Farmers' Land Clearing Assistance - Persons actively and primarily engaged in farming or in purchasing, pre-empting or leasing land to be cleared and developed, may obtain credit from the provincial government to finance the clearing and developing. The applicant must be resident on the land or on nearby farmlands, have farming experience, and resources to make profitable use of the land after improvement. The improvement operations must be supervised by an official of the Department of Agriculture. Repayment of the loan is by equal annual instalments, during a period of 15 or 20 years, depending on the type of contract. The interest rate is 4 per cent simple interest. Administration of this program is by the Minister of Agriculture. During 1967, there were 339 loans extended for a total of \$529,487. At December 31, 1967, there were 1,338 loans outstanding, for a total of \$1.8 million.

Distress Area Assistance - The provincial government (the Minister of Agriculture) may enter into an agreement with the federal government to share equally in a guarantee to a bank against losses from loans made to farmers in a distress area under the Federal Farm Improvement Loans Act, for the purpose of replanting crops or purchasing feed. The provincial government may also enter into an agreement with a bank whereby the province guarantees a part of the losses of loans made in distress areas. The maximum loan is \$5,000, and the interest rate is 6 per cent.



## Alberta

Farm Purchase Credit - The objective of the Act under which farm purchase credit is granted is to assist farmers in acquiring economic units. Loans may be obtained to make an initial purchase or to enlarge an existing farm. Qualifications for a loan require that the applicant must be between 21 and 55 years of age, must have lived in Alberta for 3 years out of the 5 preceding the loan approval, have at least 3 years of farming experience, have the necessary farm equipment available, and be or be about to become a bonafide farmer.

The farmer may borrow up to \$24,000 or 80 per cent of the selling price, whichever is the lesser, and must make a down payment of 20 per cent of the purchase price. The maximum value of the farmland owned and to be purchased cannot exceed \$50,000. Repayment of the loan may be made during a period of up to 20 years but must be completed before the applicant's 66 birthday. The interest rate, including life insurance for the amount of the liability is 5 per cent.

The Alberta Farm Purchase Board was established to administer this credit program. Advisory committees, in each county, accept and process applications and make recommendations to the Board. The Board is financed by advances from the provincial government to a Farm Purchase Revolving Fund. It is guaranteed against loss by an agreement between the provincial government and municipal or county governments. During 1967, 432 loans were made for a total of \$5.8 million. At December 31, 1967 there were 2,850 loans outstanding, for a total of \$23.1 million.

Homestead Lease Loans - Under terms of the Homestead Lease Loans Act, a loan of up to \$2,000 could be obtained for the clearing and breaking of land. The loans bore an interest rate of 4.5 per cent and could be repaid during a period of up to 10 years.

During 1966-67, 247 loans were made for a total of \$155,899. At March 31, 1967, there were 1,107 loans outstanding for a total of \$557,755.

As of March 20, 1968, no further applications for assistance were accepted under this Act, although applications on hand would be processed. This policy was administered by the Department of Lands and Forests.

Farm Home Improvements Loans - The provincial government guarantees to pay any bank or Provincial Treasury Branch up to 50 per cent of the loss on a loan made to a farmer for home improvements. The maximum amount of loans outstanding to the farmer subject to the guarantee is \$2,000. The rate of interest cannot exceed 5 per cent. The loan is repayable within 10 years and in instalments of not less than \$100 a year. Loans may be used for such improvements as water systems, sewage systems, central heating systems, insulation, concrete basements, new floors, new roofs, new siding, painting, interior decorating, remodeling and additions to houses for the installation of bathrooms. The program is administered by the Alberta Farm Purchase Board.

Only 6 loans for a total of \$18,303 were extended under this legislation in 1967; there were 14 for a total of \$24,505 in 1966. At December 31, 1967, there were 303 loans outstanding, for a total of \$505,724.

Feeder Associations Loans - The provincial government will guarantee 25 per cent of the loss sustained by any person on a loan made to a feeder association. The loan must be made to a bonafide farmer who is a member of a feeder association. The farmer may obtain a loan of up to \$3,000 in

his first and \$6,000 in his second year of feeding. Loans are repayable within 12 months. The maximum guarantee per association is \$500,000 at any one time, while the maximum limit per individual member is \$6,000. There are two types of guarantees available to feeder associations. The first requires the feeder association to clear its books once a year. The second type is a continuous guarantee, with similar security conditions, but under which the livestock feeder must make a deposit of from \$250 to \$450. The size of the deposit varies with the size of the loan. A feeder must clear his account with the association once a year.

During 1967, loans totaling \$6.2 million were extended to 1,229 members of feeder associations, at an interest rate of 6 per cent. The program is administered by the Department of Agriculture.

#### Saskatchewan

Family Farm Credit - The purpose of the legislation under which this credit is granted is to provide a source of credit for the purchase or development of economic farm units. Loans cannot exceed \$25,000 and are not available to farmers whose assets exceed \$35,000. The main security is on land; however, under certain conditions chattel mortgage security may be taken. The term of the loan may be up to 30 years if the applicant is less than 40 years of age, but shorter if the applicant is more than 40. The interest rate, which includes life insurance coverage, must cover the cost of money to the lending agency plus administration costs. The applicant for a loan must have resided in Saskatchewan for three years prior to his application for a loan, must have the necessary equipment to operate his farm and must have farming experience. Counseling service is available to all recipients of loans, and is compulsory if payments are in default.



Loans are made and administered by the Co-operative Trust Company. The finances for making the loans are obtained by the Company by selling securities. These securities are backed by the provincial government and yield a 5 per cent interest. The provincial government guarantees losses from loans, up to 10 per cent of the total amount of loans made.

Since inception of this program in 1959, more than \$7 million has been lent to farmers.

Family Farm Improvement Loans - The provincial government provides a guarantee covering 10 per cent of any losses sustained by Credit Unions during a year, that result from loans made for the installation of water and sewage systems on farms.

#### Manitoba

In 1958, the Government of Manitoba passed legislation establishing the Manitoba Agricultural Credit Corporation. The objective was to make credit available to young farmers to establish and develop economic family farm units, to facilitate the transfer of family farms from one generation to the next, and to assist in the enlargement or conversion of family farms that were uneconomic into economic units.

For farm purchase, loans were available up to 80 per cent of the appraised value of the security to a maximum of \$30,000. Sixty per cent of the security was to be in land. The repayment period was up to 30 years. The interest rate was to exceed the cost of money to the provincial government by 0.25 per cent, except for young farmers (21 to 35 years of age) who were charged 1.5 per cent less than the established rate for a period extending to 5 years from the November following disbursement of the loan.

Following an amendment to the Act in 1963, loans were also available for the expansion and improvement of beef cattle breeding herds and associated activities such as hay or pasture improvement of a semi-permanent or permanent nature, including the provision of water supply and fence construction, erection of and addition to buildings, and purchase of equipment. Loans of up to \$10,000 but not to exceed 75 per cent of the market value of the cattle offered as security, were made for a period of up to 10 years at an interest rate the same as for farm mortgages. Security consisted of a chattel mortgage on the breeding herd.

In 1968, the Government repealed its Farm Credit Act and replaced the Manitoba Agricultural Credit Corporation with the Manitoba Agricultural Credit and Development Corporation under the Manitoba Agricultural Credit and Development Act. With this action the province withdrew from the direct credit field that had involved some duplication with the Farm Credit Corporation of the federal government. The new legislation provides for a guarantee or underwriting of a percentage of losses sustained by banks and other lending institutions in respect of certain short-term loans made to farmers. The objective is to provide credit facilities to farmers for intensive rather than extensive farming.

During the eight years ended March 31, 1967, the Manitoba Agricultural Credit Corporation approved loans totaling \$41.3 million of which 74.4 per cent was for purchase of land (Table 36). The average size of the new loans advanced increased from \$9,745 in 1959-60 to \$18,571 in 1966-67 (Table 37). Farmers that were less than 35 years of age obtained larger average loans than farmers more than 34 years (Table 38). Farmers in the age group younger than 35 years obtained 58.3 per cent of the loans made.

TABLE 36.- MANITOBA AGRICULTURAL CREDIT CORPORATION: APPROVED LOANS BY PURPOSES, 1959-60 TO 1966-67

Purpose	Thousand dollars	Per cent
Purchase of land	30,734.4	74.4
Permanent improvements to buildings	2,232.9	5.4
Permanent improvements to land	159.9	.4
Removal of encumbrances and consolidation of debts	7,328.9	17.8
Purchase of livestock	514.1	1.2
Purchase of equipment	290.2	.7
Other purposes (includes beef cattle)	28.1	.1
Total	41,288.5	100.0

Source: Annual Report of the Department of Agriculture and Conservation, for the year ended March 31, 1967. p. 107.

TABLE 37.- MANITOBA AGRICULTURAL CREDIT CORPORATION: NEW LOANS APPROVED, 1959-60 TO 1966-67

		New Loans Approved	
	Number	Total Amount	Average Size
- dollars -			
1959-60	425	4,141,705	9,745
1960-61	533	5,922,286	11,111
1961-62	381	4,533,988	11,900
1962-63	298	3,622,113	12,155
1963-64	281	3,556,660	12,657
1964-65	283	4,055,410	12,796
1965-66	301	5,136,697	17,065
1966-67	281	5,218,382	18,571
Total	2,783	36,187,241	13,003

Source: Annual Reports of the Department of Agriculture and Conservation.



TABLE 38.- MANITOBA AGRICULTURAL CREDIT CORPORATION: APPROVED LOANS BY AGE GROUPS, 1959-60 TO 1966-67

	Age Group		Beef Cattle Loans	Totals
	Less than 35 years	More than 34 years		
Number approved - net	1,628	1,160	4	2,792
Percentages	58.3	41.5	.2	100
Money approved - dollars	27,347,299	15,917,018	24,200	41,288,517
Percentages	61.4	38.6		100
Average loans - dollars	15,570	13,722	6,050	14,788

Source: Annual Report of the Department of Agriculture and Conservation,  
for the year ended March 31, 1967. p. 107.

#### Ontario

Junior Farmer Establishment Loans - The Ontario Junior Farm Establishment Loan Corporation, of the Ontario Government, makes loans to qualified junior farmers, to owners of family farms and incorporated family farms where one of the family members is a junior farmer, and to farmers who operate a farm as a partnership where one of the partners is a junior farmer. Instituted in 1952, the objective of this program is to assist in the orderly transfer of farm property from father to son. Since 1963, the maximum loan to any one borrower is \$40,000, made on the security of a first mortgage at the rate of 5 per cent interest. Interest only is payable on the first payment date; thereafter the loan is repayable in annual instalments of principal and interest during a period not exceeding 30 years. Administration expenses of this program are paid by the Ontario government.

The number of loans granted and the amount advanced during the years 1964-65 to 1966-67 were as follows: 1964-65 - 781 loans, \$12.9 million; 1965-66 - 824 loans, \$15.5 million; 1966-67 - 927 loans, \$20.7 million. The total amount of money outstanding as of March 31, 1967 was \$57.9 million.

Provision is made for the provincial government to guarantee bank loans made to junior farmers who also have a loan from the Corporation. Group life insurance of borrowers is available; for loans over \$20,000 it is mandatory.

Tile Drainage - The Treasury of the Province of Ontario may acquire and hold the debentures of a municipality issued to lend money to farmers for the purpose of tile, stone and timber drainage. The interest rate on these debentures is 3 per cent. The amount of the loan to the farmer cannot exceed 75 per cent of the total cost of the drainage project. The current rate of interest charged to farmers is 4 per cent. Repayment of the loan is by 10 equal annual instalments, normally collected with the annual tax on the farm property.

#### Quebec

Quebec Farm Credit Act - This Act, which was first passed in 1936, provides for two types of loans to farmers by the Quebec Farm Credit Bureau.

A Regular Loan may be obtained on the security of a first mortgage for a term not exceeding 39.5 years, for purchase of or improvement to farm real estate, to consolidate debts, to construct and repair essential buildings and for other necessities. The loan cannot exceed 80 per cent of the appraised value of the property or \$15,000. From the institution of the Act to December 31, 1966, 79,643 loans had been made for a total of \$329.9

million. At December 31, 1966, 38,574 borrowers had outstanding loans totaling \$165.3 million. During 1966, 1,604 loans were extended for a total of \$14.6 million.

Under an amendment to the Act in January 1961, an Establishment Loan for the purchase of an economic farm unit is available to farmers between 21 and 40 years of age. The loan cannot exceed 90 per cent of the appraised value of the security or \$15,000. Security is by first mortgage and the borrower must carry life insurance in an amount equivalent to the amount of the loan. The interest rate is 2.5 per cent, and the repayment period may be up to 39.5 years. A special rebate of one-third of the amount of the loan (maximum \$3,000) is granted after 10 years from the date of the mortgage deed, provided occupancy and other conditions have been met. By December 31, 1966, loans totaling \$40.2 million had been approved for 4,222 farmers. The Farm Credit Bureau had provisionally committed itself to remit a total of \$11.3 million.

Farm Improvement Loans - The provincial government may make interest rebates and guarantees to banks and credit unions on loans made to farmers for farm improvement purposes, and for the purchase of livestock, farm implements and machinery. The maximum amount of a loan to a farmer is \$7,000. The provincial government repays the farmer who has borrowed from an approved source, an amount equal to 3 per cent interest on the loan. The provincial government also guarantees to pay banks or credit unions up to 10 per cent of the total losses in capital and interest resulting from loans made under this program.

In 1966, 10,459 loans totaling \$21.4 million were approved as eligible for the interest rebate; in 1965, 12,951 applications for rebates on loans



totaling \$22.6 million were approved. From the institution of the program in 1962 to December 31, 1966, 58,862 loans totaling \$107.5 million were approved for 36,023 borrowers. The province's commitment for the rebate of interest totaled \$10.7 million. The number of claims for losses totaled 135; the amount paid to lenders for losses totaled \$179,441.

Farm Loan Act - The objective of this legislation is to enable farmers in the province of Quebec who borrow from, or have borrowed from, the federal Farm Credit Corporation or its predecessor, the Canadian Farm Loan Board, or the Veterans' Land Act Administration, to have loans at an interest charge similar to farmers who borrow from the Quebec Farm Credit Bureau. In general, provision is made for payment to the farmer by the provincial government of an amount equal to that paid in interest in excess of a rate of 2.5 per cent, on loans from the above sources.

In 1966, these borrowers benefited by rebates of interest amounting to \$952,286, bringing the total paid from the institution of the program in 1962 to \$2.1 million.

#### New Brunswick

Farm Adjustment Loans - The New Brunswick Farm Adjustment Board may make loans for the purchase of farms, additional farmland, machinery and livestock, and for the erection of farm buildings. In addition, loans may be made for converting land to more effective use, for establishing and improving woodlots, and for a number of purposes associated with rural development projects. The Board may also acquire, sell or otherwise dispose of land. Loans carry an interest rate of 5 per cent and are made for a term agreed upon by the Board and the borrower. Security may be a first mortgage or other security considered adequate by the Board.

During 1966-67, 26 loans amounting to \$157,228 were extended for the purchase of real estate; 39 loans totaling \$162,348 were extended for the purchase of livestock and machinery, and 23 loans totaling \$243,477 were extended for the construction of buildings. At March 31, 1967, loans outstanding totaled \$2.5 million.

Farm Credit Assistance - This program, which was instituted in 1966, provides for the payment by the Province of the difference, not exceeding 3 per cent, between an annual interest of 2.5 per cent and that charged by the federal Farm Credit Corporation, to the farmers of the Province on loans made to them by the Corporation.

Farm Loans Guarantee - Since 1963, the Provincial Treasury guarantees 50 per cent of the loss or \$2,500, whichever is the lesser, to a bank or credit union which makes a loan to a farmer for the purchase of cattle, sheep or swine.

#### Nova Scotia

In 1967, the province of Nova Scotia passed a new act related to farm credit, which repealed that part of the Agriculture and Marketing Act of 1964 related to farm loans. The new legislation, which is administered by the Nova Scotia Farm Loan Board, makes provision for loans to farmers for a variety of purposes. For commercial farmers, who may be individuals, a partnership or a limited corporation, the maximum loan is \$100,000. A part-time farmer may obtain a loan of \$20,000. Provision is made for a loan to purchase a house, and for the purchase, transport and installation of tile for drainage. Qualifications for a loan, interest rates and loan terms vary with the type of loan. During the year ended March 31, 1967, 274 loans amounting to \$2.3 million were extended. At March 31, 1967, there were 925 loans outstanding for a total of \$10.2 million.

### Prince Edward Island

In Prince Edward Island, legislation providing for loans to farmers by the provincial government is administered by the Farm Establishment Board. A full-time farmer or one about to become a full-time farmer may obtain a loan for such purposes as land purchase, farm improvements, consolidation of debts, drainage installation, livestock, seed, fertilizer and farm machinery purchase. The loan cannot be more than 85 per cent of the appraised value of the security or \$10,000. An additional loan of up to \$10,000 or 85 per cent of the appraised value of the security, may be obtained for the purchase of land. Security may be by a first mortgage on farmland, chattel mortgage, life insurance policies or other securities. All loans are secured by a group life insurance policy. The repayment period may be up to 25 years. In 1967, the interest rate which is set by the Lieutenant Governor in Council, was 5 per cent. During 1967, a total of 158 loans were extended for a total of \$940,091. At January 31, 1968, a total of \$4.2 million was outstanding in 839 loans.

### Newfoundland

The Farm Development Act of 1953, was designed to aid Newfoundland farmers improve or enlarge their farming operations. A qualified farmer may obtain a loan of up to \$3,500 for the improvement of farmlands, up to \$3,500 for the purchase of livestock and up to \$3,000 for the purchase of farm equipment. Loans made for the improvement of farmlands or the purchase of livestock may not exceed 75 per cent of the appraised value of the security, and those for the purchase of farm equipment may not exceed 70 per cent of the cash price of such equipment. Security required is usually a mortgage on real estate, but in some instances a chattel mortgage is



taken. Loans may be repaid during a period of up to 12 years. Provision is made for loans to construct farm buildings and for fur farms; such loans must be repaid in 10 years. The interest rate on all loans is 3.5 per cent under an amortization plan.

The Farm Development Board which administers this legislation is financed by funds from the provincial government paid to a Farm Development Loan Fund.

During 1967, 30 loans were extended for a total of \$52,506. At March 31, 1967, there was a total of \$410,809 outstanding in 202 loans.

#### AGRICULTURAL MANPOWER

Farm Labor Recruitment - The main responsibility for the recruitment of farm labor is with the Department of Manpower and Immigration of the federal government. More than 200 Regional Manpower Centres are located in the major urban areas across Canada. Each office is staffed with trained personnel experienced in dealing with the diversified labor requirements of employers in all fields of endeavor, and in advising and assisting workers in their quest of suitable employment. A special farm labor placement service is available to farmers, and processors and to all workers seeking farm employment. This service is carried on in co-operation with provincial agricultural representatives and the various agricultural organizations.

The federal government annually enters into a Farm Labor Agreement with each province (Newfoundland excepted) by which the federal and provincial governments agree to share equally the cost of the co-operative program under which workers engaged in agriculture and other primary industries are

transferred by organized movement from areas of labor surplus to areas of labor shortage, as the seasons require. The program covers movement of workers within a province, between provinces, and between Canada and the United States. The program in each province is guided by a Federal-Provincial Farm Labor Committee and a provincial director. The first shared cost agreement was made between Canada and Ontario in 1941, and in 1942 similar agreements were entered into with the remaining eight provinces and have been renewed annually since that date. Federal government contributions by province for 1964-65, 1965-66 and 1966-67 are set out in Table 39.

TABLE 39.- FEDERAL GOVERNMENT EXPENDITURES ON FEDERAL-PROVINCIAL FARM LABOR AGREEMENTS, 1964-65, 1965-66, 1966-67

Provinces <sup>a/</sup>	1964-65	1965-66	1966-67
- dollars -			
British Columbia	7,633	7,098	-
Alberta	22,751	22,862	39,030
Saskatchewan	1,505	1,919	1,991
Manitoba	10,429	6,471	10,763
Ontario	11,865	46,775	46,422
Quebec	26,356	24,605	5,487
New Brunswick	8,055	3,781	4,391
Nova Scotia	8,207	9,877	7,761
Prince Edward Island	3,609	2,242	3,725
Total	100,410	125,630	119,570

<sup>a/</sup> Newfoundland is not a participant.

Source: Public Accounts, Government of Canada.

In operation of the placement program, the provincial committee supplies transportation to workers hired in Canada who have to be moved to critical labor short areas. Transportation one way is paid by the committee

and if the worker fulfils his contract on the farm which he is placed, or works a minimum of five weeks on the job, his return transportation is also paid.

The province of Ontario has the most extensive farm labor recruitment program of the provincial governments. Since 1965, Ontario has conducted an annual recruiting campaign in the United Kingdom to secure full-time farm workers. In 1966-67, this effort resulted in acceptance of 148 applications for coming to this country. Recruitment of tobacco workers in the United States is an annual undertaking. In 1966-67, it resulted in recruitment of 2,544 workers. In 1966, permission was granted for the entry of workers from the British West Indies for fruit and vegetable harvesting and processing in Ontario. Twenty-eight growers took advantage of the program and hired 148 workers, 2 processing firms hired an additional 116 workers. Special programs are used to encourage students to assist with harvesting. In high labor requirement areas the Department of Education sometimes delays opening of schools so students may assist in harvesting crops on home and neighboring farms. In 1966, the provincial government co-operated with the Ontario Flue-Cured Tobacco Growers Marketing Board to bring university students from Europe to work in Ontario's tobacco fields. This resulted in 164 university students coming from France, 337 from Belgium and 66 from Austria.

In 1965, Ontario instituted a program for assistance in building housing for farm workers. Under this policy the Department of Agriculture and Food pays 50 per cent of the cost of housing construction. From the inception of the program to the end of 1966-67, 83 applications were received to build housing at an estimated cost of some \$225,000. During 1966-67 more than \$31,000 was paid in assistance under this program.



In the grain growing region of western Canada and the United States, harvest workers follow the progress of the harvest from south to north and thus maintain continuous employment. The number of people moving to the Canadian grain harvest from the United States each year varies with weather conditions and the size of the crop. Almost all of this harvest labor movement is to the province of Saskatchewan, where not only men but also machines enter from the U.S. each year (Table 40).

TABLE 40.- UNITED STATES CUSTOM HARVEST EXCURSION TO SASKATCHEWAN,  
1960 TO 1966

Year	Permits Issued	Combines Admitted	Men Admitted
- number -			
1960	130	310	548
1961	15	43	69
1962	163	380	662
1963	246	585	990
1964	276	630	1,082
1965	184	443	621
1966	194	474	808

Source: Sixty-second Annual Report of the Department of Agriculture of the Province of Saskatchewan, for the twelve months ending March 31, 1967, p. 25.

As well as carrying out the usual type of placement services, the Farm Manpower Service of Manitoba has conducted special studies of the decreasing supply of skilled and experienced farm workers and of alternative programs for training workers. Surveys are made of the supply and needs for workers. A "Farm Manpower News" is issued bi-monthly to inform employers and employees of the jobs available and the trends and policies as they develop.

Unemployment Insurance - In September 1966, the federal government approved the principle of extending unemployment insurance coverage to workers in horticulture and agriculture as of April 1, 1967. Under the regulations unemployment insurance applies on a compulsory basis to all farms where there are insurable employees. Farm workers thus receive the same protection as industrial workers in the event of involuntary unemployment.

The rates of contributions and other basic provisions are the same for agriculture as for other employment covered by the Unemployment Insurance Act. Every pay period, the farmer pays a contribution of the same amount as his employee to the Unemployment Insurance Fund. As the employer, the farmer is responsible to make the combined contribution, but he deducts the employee's half of the contribution from the wages paid. When an insured worker becomes unemployed, the rate of benefit will depend on his level of earnings while working and making contributions.

The regulations provide as a condition of insurability that there must be a pecuniary remuneration of at least \$9 per week by the employer whether or not the employee receives board or lodging or other non-pecuniary remuneration such as farm produce, fuel, free light and housing.

Workmen's Compensation - Each province has a Workmen's Compensation Act that provides for compensation to workers in specified industries if injured by accident at work, or disabled by certain industrial diseases. Only in the province of Ontario, and there only since 1966, is coverage of farm workers mandatory under this legislation. In the other provinces, except Quebec, limited coverage for farm workers is available upon application. Employers under workmen's compensation acts pay into a fund for compensation and medical aid to injured workers. The employees do not contribute.

### MARKETING ASSISTANCE

"The government first became involved in marketing by reason of the live cattle trade with Britain and the need to sell dairy products in Britain, both of which were the outcome of the restrictions imposed on entry to the markets of the United States. By 1866 the exports of Canadian live cattle to the United States had reached a substantial amount; thus the replacement of free entry by a duty of 20 per cent after 1866 had a major effect on Canadian agriculture. This reversal directed attention to the British market because the cost of freight from Montreal to Liverpool was less than the duty imposed by the United States; the first cattle shipment overseas took place in 1875 ... . In 1890, the federal government established a dairy branch, the original purpose of which was to develop and distribute information to Canadian farmers relative to the best methods of making butter and cheese and feeding cattle for milk production. The activities of the Branch later were extended to other than dairy products; in 1894 it investigated the overseas marketing of Canadian apples, bacon and poultry products; in 1895 it gave attention to improving the marketing facilities for agricultural products generally".<sup>1/</sup>

The application of the findings of research at the experimental farms provided a sound basis for the development of agricultural production and the maintenance of its competitive advantage within Canada and on export markets. This was supplemented over the years by measures directly associated with marketing. These were designed to expand the sales of farm products through improvement in quality, and through the provision and control of handling, storage and processing facilities.

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<sup>1/</sup> Drummond et al, A Review of Agricultural Policy in Canada, The Agricultural Economics Research Council, Publication No. 1, pp. 18-19.



### MARKET PROMOTION

Market promotion activities are carried out by both federal and provincial governments. Market promotion programs provide producers, consumers and the trade with information, on a daily and weekly basis, on volume and prices for different qualities of commodities marketed in the important markets in Canada, and for some products on foreign markets. Home economics information designed to acquaint consumers with ways of utilizing farm products in food preparation is also made available. A number of provinces have active market promotion programs. Some of these bring to the attention of consumers the availability of certain products in season and suggest recipes for the use of such products in the preparation of meals. Some provinces are active in the promotion of export markets for their products and maintain offices abroad.

#### Federal Activities

In the federal Department of Agriculture, the program of each commodity division is designed to promote the use of those products of farm origin for which it is responsible. As a part of the promotional activities pertaining to livestock national livestock showcase herds, representing the main breeds of cattle, are maintained as a permanent exhibit at the Experimental Farm, Ottawa. The Markets Information Section assembles and publishes daily, weekly, monthly and annual reports on market flow and prices for livestock, dairy products, poultry products and eggs, fruits and vegetables, maple products and honey, based on information received from commodity division field offices across the country. The Consumer Section,

composed of home economists, assists in developing the domestic market for farm products by providing information on buying and using Canadian farm products, including conducting "test kitchen" experiments to produce new recipes. In season, publicity is given to the availability of certain crops as a means of increasing their consumption.

The value of Canada's agricultural exports has increased more than five times between 1935-39 and 1963-67 (Table 41). Export trade promotion is primarily the function of the Department of Trade and Commerce but the basic responsibility for initiative in exploiting trade opportunities inevitably rests with Canadian industry. In the promotion of Canada's foreign trade the Department has two matching roles to play - finding opportunities abroad for the sale of Canadian goods and services and informing sources of supply of their requirements.

Agricultural Commodity Specialists in the Agricultural and Fisheries Branch are directly responsible for maintaining a liaison with Canadian firms which may be in a position to take immediate advantage of trading opportunities developed in foreign markets. The Trade Commissioner Service, as the overseas arm of the department, brings foreign buyers in contact with Canadian sellers, recommends suitable agents and continuously supplies up-to-date information on export opportunities, terms of payment, tariffs, and import and exchange controls. A number of officers having agricultural training are available for key posting in various parts of the world.

Incoming trade missions are sponsored to establish direct contact between the foreign buyer and the Canadian exporter, and outgoing missions are used to study the requirements of export markets with a view to exploitation

TABLE 41.- CANADA'S AGRICULTURAL EXPORTS BY COMMODITIES, SELECTED FIVE-YEAR PERIODS

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Commodity	1935-39		1954-58		1963-67	
	Thousand dollars	Per cent of total	Thousand dollars	Per cent of total	Thousand dollars	Per cent of total
Total Agricultural Products	306,920	100.0	921,189	100.0	1,599,945	100.0
Grains	151,954	49.5	522,737	56.7	963,323	60.2
Grain Products	29,323	9.6	85,832	9.3	93,690	5.8
Animal feeds of vegetable or animal origin <sup>a</sup>	6,138	2.0	17,748	1.9	32,982	2.1
Oilseeds	54		49,912	5.4	89,973	5.6
Oilseed products	424	.1	19,677	2.1	29,335	1.8
Animals living	13,927	4.5	40,193	4.4	51,216	3.2
Meats	33,965	11.1	44,825	4.9	60,097	3.8
Other animal products	26,415	8.6	49,506	5.4	81,339	5.1
Dairy products	15,392	5.0	13,971	1.5	41,086	2.6
Poultry and eggs	1,261	.4	3,647	.4	3,927	.2
Fruit and nuts	10,933	3.6	12,533	1.4	23,803	1.5
Vegetables	6,042	2.0	5,177	.6	20,848	1.3
Potatoes	1,994	.6	6,968	.8	13,290	.8
Seeds for sowing	1,783	.6	11,478	1.2	17,351	1.1
Maple products	1,000	.3	5,038	.5	6,038	.4
Honey and bees	261	.1	139		1,536	.1
Sugar	129		86		3,711	.2
Hops	73		48		-	
Tobacco raw	4,757	1.5	20,482	2.2	37,300	2.3
Vegetable fibres	58		96		1,181	.1
Plantation crops	84		1,303	.1	2,929	.2
Other agricultural products	953	.3	9,793	1.1	24,990	1.6

<sup>a/</sup> Prior to 1961, this item included millfeeds and fodder only.

Source: Canada Trade in Agricultural Products with the United Kingdom, the United States and all Countries. Annual; Economics Branch, Canada Department of Agriculture.



by Canadian suppliers. Other methods of promoting Canadian products abroad include trade fairs, in-store promotion displays in the Department's offices abroad, films, brochures and advertisements in trade magazines and newspapers.

The original trade mission program and subsequent programs consisted primarily of outgoing missions but in 1966 and 1967 incoming missions predominated. While incoming missions are strictly a "hardsell" approach to trade promotion, outgoing missions are for the purpose of market reconnaissance in depth, a job that the trade commissioner has neither the technical knowledge nor the facilities to perform in most fields. Members of specialized outgoing missions are carefully selected on the basis of technical qualifications and are expected to represent their segment of the industry. Normally, the market survey report prepared by the mission covers trade prospects in the area visited for the next four to five years. The incoming mission is frequently a sequel to an outgoing reconnaissance mission which has uncovered good business prospects. An incoming mission is particularly advantageous where it is not possible or practical to transport samples of the products abroad or where it is desirable for the buyer to inspect the industrial capacity and technical advancement of Canadian firms.

From 1960 to the end of March 1968, the Department of Trade and Commerce sponsored 90 missions travelling abroad and invited 72 missions to Canada. Of these, 17 outgoing and 25 incoming missions were concerned with the agricultural sector. The 1968-69 programme included 18 outgoing and 17 incoming missions of which 3 and 7, respectively, were agricultural.

Not all missions show immediate and tangible results. Market survey or reconnaissance-type missions tend to generate results on a long-term basis. Many incoming missions, however, are very successful and have produced excellent immediate returns.

Trade fairs receive somewhat less emphasis in export trade promotion than formerly. During the last five years, Canada participated in four or five fairs per year in the food and agricultural area. Products promoted include food, furs, cattle and fish. Our main orientation has been towards the U.S.A. and Britain, with Germany included for food, and Mexico, Italy, France and Yugoslavia for livestock. Participation, particularly in Britain and the U.S.A. appears to be successful. The proposed program for 1969-70 includes four fairs in the agricultural area plus participation in two regional food shows in Britain.

In-store promotion is a trade promotion technique which is used almost exclusively for consumer packaged foods. The objectives of the programs are: to establish or widen the retail distribution of Canadian food products; to generate additional movement of products at the retail level; to increase consumer awareness and trial of the product; to strengthen the brand franchise and loyalty of buying consumers, and to reduce the impact created by competitive activities.

Basically, in-store promotion consists of exposing a product in larger quantities than usual, in an area of a store other than the regular shelving space allocated to the item. Given the single, mass or combination display, the promotion can be tailored to meet certain predetermined objectives by using any one or a combination of merchandising tools such as regular, multiple, slightly reduced or deep cut prices and manufacturer's advertisement through newspaper, radio, television, etc. in addition to or as part of the retail organization's advertising program.

In-store promotions are considered an excellent vehicle for promotion of sales of food products and an expansion of this program is being recommended with application to meats, cheddar cheese and honey.

### Provincial Activities

Market promotion is carried on in some form by all provincial governments, but the detailed provisions vary widely. The provinces of Quebec, Ontario, Saskatchewan, Alberta and British Columbia have offices in the United Kingdom which carry on export market promotional work. Quebec carries on market promotion activities from an office in Paris, and Ontario has undertaken market development work in a number of countries.

Market news is an important part of the market promotion activities in all provinces but especially so in those provinces which produce a variety of perishable products. The news media, brochures, bulletins, and displays are used to inform consumers about grading, processing, availability of supplies, and prices. Many of these programs are sponsored jointly with a specific commodity association or group of producers.

Under the authority of the Ontario Farm Products Containers Act a license fee of 1 per cent of the net selling price of all wooden, paper and plastic containers manufactured and sold for use to market fresh fruits and vegetables produced in Ontario is levied in that province. The funds collected which totaled \$49,951 in 1966-67, are remitted to the Ontario Fruit and Vegetable Growers' Association to cover its expenses in promoting the wider distribution and increased sales of Ontario fresh fruits and vegetables. From the institution of the levy on November 1, 1947 to the end of 1966-67, the Association received a total of \$674,161.

The Ontario Food Council Administration was set up as a separate Branch of the Ontario Department of Agriculture and Food in June 1963. Its terms of reference outlined under the Ontario Food Council Act are quite



broad with the over all purpose of finding methods of insuring orderly marketing for Ontario farm products. The Council has authority to study and report on crop conditions, markets at home and abroad, tariffs, methods of distribution and sale and any other activities in marketing that it feels should be carried out, either by industry or by agencies of government. It promotes research into market development, consumer demand, development of new products, material handling methods, grades and grading, storage, shipping facilities, and packing and merchandizing methods. One of the Council's most important responsibilities is to stimulate sales of Ontario food products by recommending and co-ordinating advertising and promotional programs.

It is able to investigate anything that will aid in selling more Ontario food products on both domestic and foreign markets. In the Ontario Minister of Agriculture and Food's Report for 1966-67, the Food Council was said to base its programs on the following philosophy "The Food Council's purpose is to encourage the most efficient form of food production, processing and distribution consistent with fair returns on investment to all participants and with our ability to produce food and be as self-sufficient as possible in order to maintain and expand our agricultural food products industry". No other provincial government has a similar department or branch.

#### CONTROL AND PROVISION OF MARKETING FACILITIES

The federal, provincial and municipal governments have developed and enforced a series of laws providing for the regulation of marketing facilities handling farm products intended directly or indirectly for human consumption. Marketing facilities subject to such control, usually through

licensing and inspection, include public markets, stockyards, abbatoirs, processing plants and public storage. Most of these controls are provided under federal acts and are made applicable to intra-provincial trade by provincial enabling legislation.

#### Federal Activities

The federal Department of Agriculture administers regulations with respect to market operations concerning livestock and livestock products, fresh and processed fruits and vegetables, poultry products and dairy products, and provides and assists in providing market facilities. The Livestock and Livestock Products Act provides regulations respecting public stockyards which are designed to ensure ethical trading practices and to protect the producer in respect to payment for livestock sold on the yards. The regulations relate to 10 public stockyards and 78 sales agencies which operate on the yards. Other activities of the Department under this Act include the bonding of commission agents, co-operatives and dealers, registration of operators, approval of weighmasters and the supervision of testing of scales on which carcasses are weighed.

The Canada Agricultural Products Standards Act and its regulations provide for the registration of processing plants and the annual licensing of dealers and brokers involved in interprovincial and export trade in fresh fruits and vegetables. The licensees (about 1,200) are subject to regulations which stipulate fair trade practices. Provision is made for the convening and conducting of Boards of Arbitration and Review for settlement and adjudication of complaints between shippers and receivers in a fresh fruit and vegetable transaction in interprovincial and export trade.

Annual registration is required for egg stations, poultry processing plants, frozen egg stations and dairy products plants.

With the passage of the Canada Grain Act of 1912, the Board of Grain Commissioners was established to maintain strict grade standards and control the movement of grain with the dual purpose of maintaining the competitive position of Canadian grain in world markets and upholding the interests of the producer and the merchandiser. The Act was revised in 1925 and in 1930. It has jurisdiction over the grading and weighing of grain, the deduction made for dockage and shrinkage, elevator shortages or overages, the deterioration of any grain during storage or treatment, and the refusal or neglect of any person to comply with the provisions of the Canada Grain Act. On a fee basis the Board provides official inspection, grading and weighing of grain, and registration of warehouse receipts. The fees received generally cover the cost of inspection, grading and weighing. It licenses annually all operators of elevators in Western Canada and of elevators in Eastern Canada that handle western grain for export, as well as all parties operating as grain commission merchants, track buyers of grain, or as grain dealers. The Board also manages and operates the Canadian Government Elevators, as well as maintaining a research laboratory and a Statistics Branch.

Government-Owned Grain Elevators - There are two sets of terminal grain elevators owned by the federal government. One group which is known as the Canadian Government Elevators and is under the direction of the Board of Grain Commissioners for Canada, comprises five interior terminal elevators located at Moose Jaw, Saskatoon, Calgary, Edmonton and Lethbridge and one terminal elevator at Prince Rupert. The first elevator in this series was constructed in 1913 at Port Arthur and was sold in 1962 to a private company.



Other terminals which were constructed at seaboard at Vancouver and Halifax in 1916 and 1924 respectively, subsequently became part of the National Harbours Board system. The first two interior elevators were constructed in 1914, followed by others in 1915, 1924 and 1931. The reasons given in the 1913 report of the Board for constructing interior terminals were:

- (a) to provide inspection and terminal facilities closer to the producer and thus enable him to secure better returns;
- (b) grain stored at interior terminals could be routed directly in final inspection and clean condition to any of the three principal shipping locations;
- (c) they would be a source of supply for western mills and thus foster the development of a western milling industry;
- (d) they would provide an interior storage reservoir against production or transportation emergencies and would even out seasonal fluctuations in grain shipping by making use of the western route when navigation was closed on the Great Lakes.

The present capacity of the 5 interior elevators is 17.1 million bushels. The capacity of the terminal elevator at Prince Rupert is being increased from 1.25 million bushels to 2.25 million bushels.

The National Harbours Board operates terminals at Churchill (capacity 5 million bushels), at Port Colborne (capacity 3 million bushels), at Prescott (capacity 5.5 million bushels), at Montreal (capacity 22.2 million bushels) and at Halifax (capacity 4.2 million bushels), with a total capacity of 40 million bushels. The Board also owns three terminal elevators at Vancouver, with a capacity of 9.4 million bushels which are leased. A summary of the number and capacity of all licensed elevators by province and class of license is shown in Table 42.

TABLE 42.- LICENSED ELEVATORS: NUMBER AND CAPACITY, BY PROVINCE AND CLASS OF LICENSE, AT AUGUST 1, 1967

Province	Kind of Elevator									
	Public Country		Private Country		Semi-Public		Terminal		Mill	
	Number	Capacity	Number	Capacity	Number	Capacity	Number	Capacity	Number	Capacity
		thousand bushels		thousand bushels		thousand bushels		thousand bushels		thousand bushels
Manitoba	645	49,048.6	1	5,000.0	2	3,602.8	5	2,083.7	653	59,735.1
Saskatchewan	2,775	207,620.6	2	11,000.0			4	3,231.5	2,781	221,852.1
Alberta	1,587	128,716.6	2	80.0	3	6,100.0	1	1,490.0	1,602	140,358.5
British Columbia	23	2,771.0			9	24,846.5	1	18.3	33	27,635.8
Ontario	2	1,439.0			23	104,347.2	2	2,973.9	17	55,666.0
Quebec									10	59,470.0
Maritimes									4	7,229.3
Total	5,032	389,595.8	2	80.0	38	151,293.7	5	8,066.7	22	10,785.4
									31	122,365.3
									5,130	682,186.9

Source: Annual Report of the Board of Grain Commissioners for Canada.

Cold Storage Warehouse Construction Assistance - The Cold Storage Act was first passed by the federal government in 1907. Under the authority of this Act the Department of Agriculture granted financial assistance for the construction, equipment, and "maintenance in good and efficient working order of public cold storage warehouses equipped with mechanical refrigeration ... and suitable for the preservation of any food product".

The objective of the Cold Storage Act, at its institution, was to encourage and assist in the building of refrigerated space for the public storage of perishable food products in localities where this service was not available to farmers and fishermen. Cold storage warehousing allowed the producers to store their products for more orderly marketing and more favorable returns. In 1947 the regulations were amended to provide for a given percentage of the refrigerated space in co-operative cold storage plants to be utilized for private lockers, freezer space and cutting rooms. Cold storage locker plants co-operatively owned by an association of agricultural producers, fishermen or consumers, became eligible for assistance, as their members were regarded as "public" users of the facilities.

Until June 1952, the maximum assistance granted was 30 per cent of the approved cost of construction and equipment. At that time the maximum was increased to  $33\frac{1}{3}$  per cent payable in a lump sum upon completion and operation as required by the regulations. Effective February 7, 1958 the maximum grant was set at \$50,000 or one-third of the approved cost, whichever was the lesser. This assistance was available for converting an existing building without refrigeration into a public cold storage plant as well as for the construction and equipping of a new building.



No new applications were accepted under this program after 1963-64, as it was considered that the need for general purpose cold storage had been met. Payments have been made annually since 1963-64 on projects approved to that date and completed after.

From the inception of the program in 1907 to 1966-67 a total of \$14.4 million was paid in assistance (Table 43) for the construction of 355 warehouses (Table 44). During the 20 years from 1947-48 to 1966-67, a total of \$10.4 million was paid in assistance for the construction of 258 warehouses.

Cheese Factory Improvement Assistance - The Cheese and Cheese Factory

Improvement Act of 1939 provided for the payment of grants to cheese factories for amalgamation into larger and more economical units and for technological improvements. Registered cheese factories could claim from the federal Department of Agriculture up to 50 per cent of specified expenditures for: (1) materials, construction and equipment required for the amalgamation of factories, (2) enlargement of, and installation of mechanical refrigeration in, cheese curing rooms of existing factories, and (3) standardization of cheese pressing equipment. Effective December 29, 1958, the maximum grant to a cheese factory was set at \$60,000.

When this program was introduced, few cheese factories were equipped with refrigerated storage facilities to satisfactorily mature cheese. All cheese factories now have mechanically refrigerated and insulated ripening rooms. No new applications for the subsidy were accepted after December 1967.

A total of \$6 million was paid in subsidy payments to 925 cheese factories between 1939 and March 1967. Almost all of the subsidy went to the provinces of Ontario and Quebec, \$2.8 million to Quebec and \$2.9 million to Ontario (Table 45).



TABLE 44.-- COLD STORAGE WAREHOUSES BUILT UNDER THE COLD STORAGE WAREHOUSE ASSISTANCE PROGRAM OF THE FEDERAL GOVERNMENT  
BY PROVINCES, 1907-1966

Calendar Year	Province										Canada
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	
	- number -										
1907-1946		5	12	2	6	33	2	4	4	29	97
1947				1	2	4	1	1		11	20
1948			4	1	4	1				4	14
1949			2		3	4	1			11	21
1950		1	1		5	1	1	4		3	16
1951			1		2	5	1	5		3	17
1952		1				4	1	6			17
1953		2		1	5	1	2				14
1954		1	2		7	1		1	1		15
1955	1		1		1	7			3		11
1956					7	4		2		2	18
1957	1	1		3	7	9	1		1		23
1958		1	2	3	3	9	1			2	20
1959			1	2	3	2					8
1960			1	2	3	3	1			2	12
1961					1	2	1	1	1		7
1962						3	1			9	15
1963				2		3				1	4
1964						1			1		2
1965				1							2
1966		1	1							1	2
Total											
1947-1966	2	8	16	15	58	64	12	20	7	56	258
Total											
1907-1966	2	13	28	17	64	97	14	24	11	85	355

a/ Year in which warehouse was completed.

Source: Public Accounts. Canada Department of Agriculture.





### Federal-Provincial Activities

Potato Warehouse Construction Assistance - This joint undertaking of the federal and provincial governments, instituted in 1947, provided financial assistance to co-operatives for the construction of public warehouses for potato storage. The co-operative was required to pay at least a quarter of the cost, the province paid the remainder but recouped 50 per cent of its expenditure from the federal government. The co-operative was required to levy a charge on produce handled, the moneys so obtained to be used to pay operating expenses and fire insurance. Under an order-in-council in 1950 the co-operative was required to repay one-half of the grant received from each government, from moneys received from the levy but surplus to operating expenses and fire insurance premiums. The objective of this program was to provide additional frost-free storage for potatoes; mainly in the commercial potato producing regions of Canada.

To the end of March 1967, \$643,353 had been given in grants (Table 46) for the construction of 23 warehouses, 8 of which were in Prince Edward Island, 7 in British Columbia, 5 in Quebec, 2 in Saskatchewan, and 1 in Manitoba.

No new applications for assistance were accepted under this program after July 1963, however, assistance has been given on applications received previous to that date with construction uncompleted.

### Provincial Activities

All provincial governments have legislation providing for the control and regulation of the marketing of farm products within the province. Most provinces also have provided various forms of financial assistance to encourage and assist in the establishment of marketing and processing facilities.

TABLE 46.- FEDERAL GOVERNMENT EXPENDITURES UNDER THE POTATO WAREHOUSE CONSTRUCTION ASSISTANCE PROGRAM, BY PROVINCE, 1949-50 TO 1966-67<sup>a/</sup>

	British Columbia	Saskatchewan	Manitoba	Quebec	Prince Edward Island	Canada
- dollars -						
1949-50		12,654				12,654
1950-51					45,356	45,356
1957-58	7,604					7,604
1958-59	61,603					61,603
1959-60	18,150					18,150
1960-61	99,647					99,647
1961-62	24,660	37,864	140,745			203,269
1962-63			25,000			25,000
1963-64				103,566		103,566
1964-65						-
1965-66						-
1966-67				66,504		66,504
To date	211,664	50,518	165,745	170,070	45,356	643,353

<sup>a/</sup> No expenditures in 1947-48 and 1948-49.

Source: Public Accounts, Canada Department of Agriculture.



Most provinces have enacted legislation controlling the marketing of milk for fluid consumption. Some finance their milk control agencies out of public funds, others finance through the collection of license fees and assessments from those engaged in the fluid milk industry, and some combine the two methods. Most milk control agencies have authority to carry out some system of licensing which provides for revocation of a license if a licensee does not conform with regulations. Such agencies set the minimum price which distributors in specified markets may pay producers for milk sold for fluid consumption. Some set either minimum or fixed wholesale and retail prices for fluid milk. In Manitoba maximum prices are set by the Manitoba Milk Control Board. These agencies usually exert control over the supply of fluid milk through a system involving registration of fluid producers and the establishment of a marketing quota for each individual producer in a given milkshed. Any milk which is marketed by fluid producers in excess of fluid requirements is directed into the market for manufacturing milk, at a much lower price for the producer. All provinces have legislation in respect to the licensing of milk distributors and milk manufacturing plants, buttermakers and cheesemakers. All provinces regulate the manufacture and sale of dairy products' substitutes. Restrictions are placed on the sale of raw milk.

A number of provinces have legislation concerning the disposal of dead animal carcasses, not only to control the spread of livestock diseases but also to protect consumers. In British Columbia, three meat inspection areas have been established, in which only inspected meats may be sold.

Each of the Prairie Provinces has legislation related to the marketing of certain grains within the province. The Coarse Grain Marketing Control

Act of Manitoba prohibits the selling of coarse grains situated in Manitoba to other than the Canadian Wheat Board, and prohibits all purchases of coarse grains by other than the Board. However, the producer of coarse grain may sell his grain to another producer or an owner of livestock or poultry within the Province. Coarse grain is defined in the Act as consisting of oats, barley, and any oat product or barley product.

The Saskatchewan Grain Marketing Control Act prohibits producers selling grain or grain products situated in Saskatchewan for delivery within the Province to other than the Canadian Wheat Board, and prohibits the purchasing of grain by other than the Canadian Wheat Board. Exceptions to this rule are the sales by producers of grain to producers or owners of livestock within the Province. The word "grain" is not defined in the Act but words in the Act are to have the same meaning as in the Canadian Wheat Board Act, where grain is defined to include wheat, oats, barley, rye, flaxseed and rapeseed.

The Coarse Grain Marketing Control Act of Alberta prohibits a producer selling coarse grain for delivery within the Province to other than the Canadian Wheat Board and no person shall purchase coarse grain within the Province except on account of the Board. Exceptions to this rule are: (a) a producer may sell to a producer or owner of livestock or poultry situated within the province and (b) a producer or owner of livestock within the province may purchase coarse grain situated within the province for his own use. In this Act coarse grain is defined as oats, barley, or oats or barley product.

Provinces with community livestock auction sales yards require their licensing and inspection for cleanliness, health and safety standards. Persons operating such sales yards must keep records of sales and be bonded.

In Ontario, all distributors purchasing milk for sale as fluid milk and all operators of milk processing plants must furnish security or establish financial responsibility to assure payment to producers.

The most common forms of financial assistance for the construction and improvement of marketing and processing facilities, have been grants and guaranteed and low interest rate loans, but on occasion provincial and municipal governments have granted tax concessions to a firm to encourage and assist its establishment. In some instances provincial governments have built cold storage warehouses. The province of Newfoundland owns and operate an abbatoir at St. Johns. The province of Nova Scotia financially assisted in the establishment of a co-operative abbatoir in 1959-60, by granting a \$1 million loan and by purchasing \$200,000 of shares in the plant.

In New Brunswick, since 1930, grants have been available for the improvement of cheese factories. Grants for this purpose totaled \$1,000 in each of the past three years. In 1965, to provide assistance in setting up a casein plant, the province undertook to pay 25 cents per 100 pounds towards the cost of hauling milk. This subsidy, which cost \$7,500 in 1966 and \$8,088 in 1967, was discontinued in 1968. To encourage and assist the consolidation of cheese factories, the province will pay the cheese factory 10 cents per 100 pounds towards the cost of transporting milk. Instituted in 1965, the program cost \$637 in 1965, \$732 in 1966, and \$764 in 1967.

The Co-operative Loans Act of Ontario provides for loans to agricultural co-operative associations to assist in financing major expenditures for expansion of such facilities as grain elevators and cold storage warehouses. The loan may be up to a maximum of \$100,000 providing security is available in



the form of first mortgage up to 50 per cent of the total amount borrowed. The interest rate is 6 per cent and the term is 20 years. In 1967-68, \$585,000 was disbursed in loans to 8 co-operatives. Ontario also provides loans to assist in the amalgamation of small and inefficient cheese factories.

There is no specific legislation to provide for loans or guarantees to co-operatives in Manitoba but on occasion the government has made direct loans by order-in-council for special projects, for example, the Manitoba Honey Producers' Co-operative for a new building and the guarantee of debentures of Co-operative Vegetable Oils at Altona.

The province of Alberta has an Act entitled the "Co-operative Marketing Associations Guarantee Act". This title is misleading because under this Act the Provincial Treasurer may be authorized to guarantee the payment of any sum of money borrowed by a co-operative association not only for the marketing of agricultural products or fish on a non-profit basis, but also for supplying, transmitting or distributing natural gas, liquified petroleum gas or electrical energy, or for the purchase of farm machinery. Payment may be guaranteed if the money is for one of the following purposes: acquiring land, factories, warehouses, machinery and equipment. Most of the activity under this Act has been in the development of rural electrification co-operatives.

The Potato Warehouse Act of Prince Edward Island provides for the making of loans by the provincial government for the erection of potato warehouses. The Act stipulates the conditions of operation, the allocation of space and the storage rates to be charged.

The province of Prince Edward Island has an Act entitled "An Act to Provide Assistance Towards the Establishment of Industrial Plants for the

Processing of Agricultural, Horticultural and Fisheries Products Within the Province", under which the Lieutenant Governor in Council is authorized to grant assistance towards the establishment of industrial plants within the province for the purpose of processing agricultural, horticultural and fisheries products by way of outright grant or loan or by guaranteeing loans, or by a combination of these forms. The assistance may be granted separately or in conjunction with the Industrial Development Bank of Canada or other federal department or agency. No assistance may exceed 50 per cent of the cost of any plant or extension. Terms and conditions may be attached to assistance including security to be taken, terms of repayment, rate of interest to be charged, furnishing of returns and audit. The aggregate of all loans, grants or guarantees is not to exceed \$1 million.

The government of Nova Scotia, under its Cold Storage Plants Loans Act, may make loans to any person, partnership, company or association of persons for the purpose of erecting, acquiring, owning or operating a cold storage plant or plants. Repayment must commence within three years of the date of the loan, at least 50 per cent of the loan is to be repaid within 10 years and the period of the loan shall not exceed 20 years. A loan must be secured by a first mortgage.

#### GRADING AND INSPECTION

One of the main functions of the federal Department of Agriculture with respect to marketing is grading and inspection in accordance with regulations of the Canada Agricultural Products Standards Act, the Canada Dairy Products Act, the Fruit, Vegetables and Honey Act, the Livestock and Livestock Products Act, the Maple Products Industry Act, the Meat and Canned Foods Act, the Meat Inspection Act and the Humane Slaughter of Food Animals Act.

All butter, cheese and dry skim milk must be officially graded by officers of the federal Department before moving out of the province in which the product was made. Eight of the 10 provinces provide the necessary concurrent authority to enable the federal officers to enforce legislation within the province. Inspection staff also ensure that the composition standards are adhered to and that branding of manufactured dairy products provides a true and accurate description of the product. The more than 40 different varieties of cheese imported are checked for branding and composition before being sold.

Dressed or eviscerated poultry and eggs may be graded by operators of registered plants or by producers who have a grader's certificate. Shell eggs, frozen eggs, and dressed and eviscerated poultry are subject to inspection by inspectors of the federal Department of Agriculture to ensure that grade standards have been adhered to.

Meat and meat products entering into interprovincial or export trade must be slaughtered in accordance with the Humane Slaughter of Food Animals Act and plants must comply with regulations designed for sanitary and health purposes.

A carcass grading service is provided for beef, veal, hogs, lamb and mutton at 79 federally inspected packing plants. In addition there are 77 approved plants in which hog and lamb carcasses are officially graded for premium purposes.

The development of a government grading system for hogs was undertaken in the early 1920's to provide a system whereby the farmer producing better hogs would receive greater returns than the farmer marketing inferior animals.



The first system, introduced in October 1922, provided for the grading of live hogs. As this system developed it became evident that a more accurate method of appraisal was necessary. Following experimental work, carcass grading became optional in June 1934, and in November 1940 became the only official method of grading hogs. The carcass grading system involves the grading of carcasses on the packing house rail by federal government graders, who issue certificates which are the basis of settlement to the producers. There is no official requirement that hogs shall be bought and sold on the basis of carcass weight but the trade has voluntarily adopted carcass weight as the most equitable basis of settlement between buyer and seller.

Although an improvement over live grading, carcass grading for hogs as it has been carried on is largely dependent on the judgement of the grader for grade determination. Recent experimental work has developed a point system of scoring carcasses, based on backfat measurements and warm dressed weight, which will be coming into effect early in 1969. The average score will be 100, and the best possible score will be 112. The highest prices will be paid for 150 to 180 pound carcasses with an average backfat measurement of less than an inch. The lowest prices will be for 125 to 150 pound carcasses with an average of more than 2 inches of backfat. The price the producer will receive will be calculated by multiplying the score, carcass weight and price the packer bids. Development of this system was a co-operative effort of producers, packers and the Canada Department of Agriculture.

An important feature of the beef grading system is branding for consumer recognition of quality. Ribbon-like brands are applied throughout the length of the carcass so practically every cut will carry a portion of the mark, which is colored red for Canada Choice, blue for Canada Good, brown

for Commercial, and black for all other grades. Since January 1, 1947 all beef slaughtered in federally inspected plants has been graded in accordance with national grade standards by federal government graders, and while this accounts for the great bulk of the beef, a small quantity killed in small slaughter houses is not eligible for branding. Upon application, the federal grading service may be extended to beef killed under provincial legislation, and this has been done in a number of plants. There is no legislation requiring beef to be sold on the carcass basis and by grade but there is a trend to this method of settlement between buyer and seller.

All regulations relating to grade and quality standards for fresh and processed fruit and vegetables, honey and maple products in interprovincial and export trade are applied by the federal Department of Agriculture. In addition, all provinces have provided the necessary concurrent authority to enable federal officers to enforce legislation within the province.

Fresh fruits and vegetables must be graded, packed and marked in accordance with established standards and regulations, which constitute the common quality gauge for purposes of trading at all levels, and at retail provide an indication of quality for consumer information. Commercial grade and quality inspection service is provided for the industry on fresh fruits and vegetables. Shipping point inspection and certification is provided on request by the shipper, as evidence that he has complied with the terms of contract made with the consignee. Re-inspection may be requested as a check on the initial inspection carried out at the shipping point, or to determine possible damage while in transit. Destination inspection may also be provided if requested by the trade to establish the extent of any deterioration

that may have occurred during transit from shipper to consignee. Such inspections may cover imported as well as domestic fruits and vegetables and include tropical and semi-tropical products.

All fruits and vegetables for which grade standards are provided in the regulations, except blueberries, field rhubarb, strawberries and cranberries must be inspected when moving in export trade. Although fruits and vegetables moving interprovincially are required by regulation to be properly graded, packed and marked, legislation requiring inspection and certification of such fruits and vegetables varies between provinces.

If not certified by the exporting country, fruits and vegetables which are imported must be inspected in Canada before the shipment may clear customs.

Grade standards are established for 100 canned, frozen and dehydrated fruit and vegetable products and standards of identity referring to quality of composition are provided for 30 others. All processing plants using federal grade markings on their products, whether for interprovincial or intra-provincial shipment, must be registered and meet the required sanitary standards.

Standards established for seed potato certification require field, and shipping inspection of certified seed potatoes for domestic or export shipment.

The grading and inspection of grain is carried out under the direction of the Board of Grain Commissioners. When farmers deliver their grain to country elevators on the Prairies it is given a grade by the elevator agent. When the farmer and elevator agent fail to agree on the grade, a sample is taken in the presence of the farmer and forwarded to the inspector in charge



of an inspection point. The decision of the inspector with respect to grade is final, subject to appeal under prescribed conditions to the Grain Appeal Tribunal established by the Board. The Tribunal reviews the decision of the inspecting officer and assigns the final grade to the grain in question.

As grain moves to terminals or mills, an unofficial loading sample taken by the agent who loads the boxcar, is placed inside and accompanies the car for grade checking purposes. When the boxcar is unloaded at the terminal elevator an official sample is taken by an automatic sampler consisting of a small metal cup dipping into the grain as it is transferred by a belt conveyor. This sample is graded by the Board of Grain Commissioners inspector who has his laboratory at the elevator. All grain is cleaned before leaving the terminal and the utmost care is taken to safeguard the quality of the grain until it is loaded on board ship. Shipments out of terminal elevators are similarly sampled continuously by automatic samplers in the conveyor system or from the hold of a vessel to ensure that the grain is equal to or better than the minimum requirements of the grade specified. When the grade of a shipment from a terminal elevator has been established, the Board of Grain Commissioners issues a "Certificate Final" which goes with the shipment to its final destination as the basis and guarantee of quality.

The Canada Grain Act requires that wheat of the higher grades may only be binned with wheat of the same grade and that wheat in the terminal is not transferred from a lower grade to a higher grade. Special binning of selected wheat for any buyer is also prohibited. These controls are designed to ensure that shipments of any grade to any buyer will be very close to the average of the grade.

Before an ocean vessel is loaded for export, the Port Warden must issue a certificate that the cargo space is fit to receive grain and the Plant Protection Division of the federal Department of Agriculture must certify that the vessel is free from insects capable of infesting stored grains.

Before the beginning of each crop year, the Board must appoint a representative and highly qualified Committee on Grain Standards to establish standard samples. As soon as possible after August 1, the Board collects samples of the new crop and from these, prepares tentative standard samples of the statutory grades and other commercial grades as required. After reports on the milling and baking qualities have been obtained, the Grain Standards Committee is convened. The standard samples established by the Committee represent the minimum of each grade for that year. The Committee further prepares under even more rigid conditions, standard export samples of the first nine statutory grades and of all commercial grades considered advisable.

The basic quality of Canadian grain production is secured and maintained through the licensing of varieties for seed. Most basic plant breeding for new varieties is carried out by the federal Department of Agriculture in research stations across Canada and by universities. No hard red spring wheat varieties are licensed unless they are judged equal to or better than Marquis, an excellent variety of wheat produced at the turn of the century, using 10 basic criteria associated with milling and baking requirements. Similarly for the other grains, basic standards of quality are used for the approval of new varieties. These criteria are aside from improvements looked for in better varieties such as freedom from rust, disease resistance, high yields, shorter growing season and so forth.

The main factors on which the actual grading of grain is based are: moisture; bushel weight; total foreign material, including other cereal grains; grain of classes other than the type being graded; and soundness of grain. Other than moisture and bushel weight which require testing and measuring, the grading is based on visual inspection. This visual inspection has been developed during a period of many years and is undertaken with the aid of such special equipment and guides that the margins by which each grade is specified, are quite narrow. For example, Western Canadian Red Spring Wheat is graded on a number series, with the highest standards for No. 1 and with a larger tolerance of foreign material and other wheats as the grade gets lower (Table 47).

TABLE 47.- GRADE STANDARDS FOR EXPORT WHEAT, CROP YEAR 1966-67

Grade Name	Test Weight Per Bushel	Total Foreign Material		Wheats of Other Classes and Varieties	
		Other Cereal Grains	Other Seeds	Not equal to Marquis	Contrasting Classes
	pounds			- per cent -	
No. 1 Manitoba Northern	64.1	0.15	0.05	0.2	0.1
No. 2 Manitoba Northern	62.7	0.30	0.15	1.5	0.2
No. 3 Manitoba Northern	61.4	0.45	0.15	6.0 (4.0) <sup>a/</sup>	0.5
No. 4 Manitoba Northern	60.4	0.65	0.15	(5.0) <sup>a/</sup>	1.0
No. 5 Wheat	59.4	0.80	0.15	(7.5) <sup>a/</sup>	2.5 <sup>b/</sup>

<sup>a/</sup> Wheats of other classes.

<sup>b/</sup> Durum.



In addition to those described in Table 47, in 1966-67, there were three grades of Canada Western Garnet, six of Canada Western Amber Durum, four of Alberta Winter. The care with which wheat is graded is brought out by the definition of the lowest grade, No. 6 Wheat: minimum bushel weight, 51 pounds; any variety of spring or winter wheat excluded from the higher grades on account of frosted or otherwise damaged kernels; maximum foreign material other than wheat including cereal grains, about 3 per cent; maximum limit of durum wheat, 6 per cent.

For other cereals, grades are similarly established: there are six grades for Feed Oats and four higher grades called Canada Western; there are three grades for Feed Barley and six higher grades divided between 6-row and 2-row types; there are six grades of rye.

Grade standards are established for wheat, oats, barley, rye and maize grown in Eastern Canada with the prefix 'Canada Eastern', but the same basic principles of grading are followed. The detailed practices differ because the volumes are smaller and the marketing system is not the same.

Normally, all but a small percentage of the wheat samples can be fitted into these grades. But excessive moisture at harvest may cause exclusions. If a sample contains between 14.5 and 17 per cent moisture, the word "Tough" is added to the grade designation, and for more than 17 per cent moisture "Damp" is used. Other sub-grades are established for excessive quantities of other grains, weed seeds or other foreign material, with the word "Rejected" and the cause added to the regular grade designation.

### Provincial Activities

Legislation pertaining to grading and inspection has been enacted in all provinces. In some a general act covers all or most products and in others special acts are provided. Such legislation usually regulates the grading, storage, production, manufacture, processing, transportation and sale of foodstuffs of any kind within the province.

In general, the provinces have adopted the grade standards of the federal government which apply to interprovincial and export trade and made them applicable to in-province trade. Eight of the 10 provinces have passed the necessary concurrent legislation to allow federal government officers and inspectors to enforce provincial legislation regarding the in-province marketing of dairy products, and for fruits and vegetables all provinces have done so. Ontario is the only province with a substantial number of graders and inspectors working with fruits and vegetables, Quebec has a small number. In both provinces, federal and provincial workers work in close liaison in the interests of interpretation and application of grading standards. There is a general effort to co-ordinate federal and provincial government activities in the area of grading and inspection.

Various provincial government acts, in some provinces these are special acts, deal with the sanitation of dairy manufacturing plants, and the sampling, testing and purchasing of milk and cream; and provide for supervisors, graders, testers and inspectors to ensure that the provisions of the acts are carried out. Dairy inspectors in all provinces work with the operators of dairy plants to help improve quality of product. Some provinces have established laboratories for the bacterial analysis of milk and other dairy products in an effort to obtain and maintain quality control.

Provincial health inspection regulations apply to slaughter houses and meat processing plants not registered for federal inspection. In a few areas, medical health officers inspect meat at local or municipal levels. Meat inspected by these inspectors cannot be stamped with the official inspection stamp of the federal inspectors.

Community livestock auction sales yards are regulated by provincial legislation. Such regulations usually provide for standards and inspection in relation to location, design, materials of construction, forms of construction, sanitation facilities, weighing facilities, and inspection of livestock offered for sale.

Public health acts forbid the selling or offering for sale of food, including milk and meat which is tainted or spoiled or anyway unfit for human consumption. Provision is usually made for municipal authorities to appoint inspectors and enforce health and sanitary standards at the municipal level, including the licensing and inspection of restaurants and other food outlets.

Ontario is the only province that has a Farm Products Inspection Branch within its Department of Agriculture and Food. There are five district offices and 10 sub-offices to administer the services of this Branch, plus an office to deal with flue-cured tobacco. The Branch administers and enforces regulations under the Ontario Farm Products Grades and Sales Act, respecting: fresh market fruit and vegetables, fruit and vegetables for processing, honey, flue-cured tobacco, compulsory inspection areas and highway stations, licensing of produce dealers, controlled atmosphere apple storages and Christmas trees. Services related to marketing



include testing of new produce containers, fruit maturity testing, checking pea tenderometers and methods of sampling peas for processing, dry matter determination on potatoes, produce shipping surveys, distribution and price surveys, crop estimating and crop reports.

The Ontario Farm Products Grades and Sales Act sets out standards of quality in the form of grades for 26 of the main fruit and vegetable crops, 24 are covered by compulsory grades. The Act provides for enforcement of grades, standards of packaging and labelling. Provision is made for inspection at the packer, shipper, wholesale and retail levels, and on sales to institutions, hotels and restaurants.

In application, inspection is enforced 24 hours a day during the main harvesting season in certain areas. Outside these areas, inspection is provided in the main production areas, at receiving and distribution points, and at wholesale and retail levels throughout the province. Produce dealers are licensed to ensure control over their purchases from producers. Inspectors of the Department of Agriculture and Food check the correctness of the grading of flue-cured tobacco done by employees of the Ontario Flue-Cured Tobacco Growers' Marketing Board. Controlled atmosphere storage facilities and operators are licensed. Facilities are inspected to ensure conformity with regulations respecting oxygen levels and time periods required for minimum storage.

PRODUCER MARKETING PROGRAMS

The desire for price improvement and better marketing facilities has prompted farmers to use co-operative effort to increase their bargaining power. The earliest organized co-operative marketing activity in Canada took form in the 1870's when farmers in Eastern Canada began organizing and operating cheese factories and creameries. The development of agriculture in the Prairies in the last decade of the 19 century provided the stimulus for the organization of co-operatives in that region. As a result of dissatisfaction with respect to the marketing of grain, the Grain Growers Grain Company was organized in 1906 for the co-operative marketing of grain. By 1913, province-wide co-operative elevator companies were established in each of the three prairie provinces.

During their early years, co-operatives were handicapped by lack of appropriate legislation dealing with their incorporation and operation. Manitoba passed the first provincial co-operative act in 1887 and Quebec followed in 1906. In 1908, a federal bill for incorporation of co-operatives passed the House of Commons but was turned down by the Senate. In subsequent years provincial co-operative legislation became general.

Governments generally have displayed a sympathetic and paternalistic attitude to co-operatives and informally have assisted farmers and others in organizational work. When the Economics Branch of the federal Department of Agriculture was established in 1929, one of its main terms of reference was the development and analysis of annual national statistics on co-operatives. The part played by provincial governments in the development of co-operatives has varied from relatively little formal involvement in the case of British

Columbia to provision of an elaborate field staff under the Department of Agriculture in Quebec and the establishment of a separate Department of Co-operatives and Co-operative Development in Saskatchewan. Following the report of the Royal Commission on Co-operatives in 1945, the Income Tax Act provided that a corporation, incorporated under provincial legislation respecting co-operative associations for marketing, purchasing or service, is exempt from taxation for its first three taxation years and that patronage dividends paid by any business, co-operative or otherwise, are allowable as a deduction in computing taxable income.

Despite periodic set-backs, co-operatives have continued to play an increasingly important role in the marketing of farm products. The total marketing business of co-operatives has increased from an average of \$166 million for the five years 1936-40 to \$1,097 million for the average of 1961-65. About one-third of the marketings of farm products have been attributed to co-operatives. The relative position of individual commodities is shown in Tables 48 and 49.

Seventy-four per cent of the co-operative sales of farm products by locals were in grain and dairy products in 1966. Cash receipts from sales of these same two commodities represented only 44 per cent of the total cash receipts from farming operations. It is evident that grain and dairy products which were the commodities which provided the early impetus to co-operative marketing, have retained their position of predominant importance in this area.

Grain marketing co-operatives have had a particularly long history of organizational struggle to achieve greater control in the determination of prices for grain on the prairies. During the period from 1895 to 1916,



TABLE 48.- DISTRIBUTION OF FARM CASH RECEIPTS AND CO-OPERATIVE SALES OF FARM PRODUCTS, BY MAJOR COMMODITY GROUPS, 1966

Commodity Group	Farm Cash Receipts		Co-operative Sales of Farm Products	
	million dollars	Per cent	million dollars	Per cent
Grain	1,268.7	29.9	660.0	50.3
Livestock	1,368.0	32.3	230.9	17.6
Dairy products	584.4	13.8	306.9	23.4
Eggs and poultry	402.3	9.5	57.5	4.4
Fruits and vegetables	161.3	3.8	42.4	3.2
Others	454.0	10.7	13.9	1.1
Total	4,238.7	100.0	1,311.6	100.0

TABLE 49.- VALUE OF SALES OF FARM PRODUCTS BY MARKETING CO-OPERATIVES, 1946, 1956 AND 1966

Commodity Group	1946		1956		1966	
	million dollars	Per cent	million dollars	Per cent	million dollars	Per cent
Grain	205.3	45.2	362.0	48.3	660.0	50.3
Livestock	83.0	18.3	112.9	15.1	230.9	17.6
Dairy products	76.9	16.9	153.6	20.5	306.9	23.4
Eggs and poultry	23.9	5.3	28.5	3.8	57.5	4.4
Fruits and vegetables	30.5	6.7	31.8	4.2	42.4	3.2
Others	34.5	7.6	60.7	8.1	13.9	1.1
Total	454.1	100.0	749.5	100.0	1,311.6	100.0

there was a rapid expansion in wheat production in response to an increasing demand and generally attractive prices. A situation arose, however, where grain firms, which built elevators on sites provided by the Canadian Pacific Railway, were protected from competitive "car" buying at those points.<sup>1/</sup>

This meant that at points where elevators had been built, the farmers lacked bargaining power with regard to prices, grades and dockage. Complaints gave rise to a Royal Commission to investigate the grain trade in 1899, the recommendations of which became part of the Manitoba Grain Act of 1900. The Act required dealers to be licensed and bonded and railways to provide additional loading facilities if requested by a specified number of farmers.<sup>2/</sup> Later, Royal Commissions recommended further government involvement in regulation of the grain trade and in 1912, the federal government passed the Canada Grain Act, which included the provisions of the Manitoba Grain Act of 1900.<sup>3/</sup>

At the end of World War I, western farmers urged the continuation of public control of grain marketing which was established for wartime conditions and the first Canadian Wheat Board was established to handle the crop of 1919. After operating a compulsory pool for a year, the Board was disbanded. Having been refused their request for a wheat board operated by the government, the western producers proceeded to organize a central selling agency of their own, resulting in the formulation in 1923 and 1924 of the wheat pools. The United Grain Growers Ltd. had already been formed in 1917 by bringing together the

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1/ Macintosh, W.A., Agricultural Co-operation in Western Canada, Ryerson Press, Toronto, p. 8.

2/ Drummond, et al, A Review of Agricultural Policy in Canada, The Agricultural Economics Research Council of Canada, Publication No. 1, p. 27.

3/ Ibid, p. 28.

Grain Growers Company in Manitoba and the Alberta Farmers Co-operative Elevator Company. Within 5 years of their incorporation the farmer-owned organizations were handling over 50 per cent of the grain marketed in western Canada.

In spite of the success of farmer-owned grain marketing agencies and increased governmental control of grain handling, problems of surplus and price instability for wheat in the early 1930's, forced the federal government to become more directly involved in grain marketing. In 1935 the Canadian Wheat Board was established with responsibility for marketing wheat and certain other grains produced in Western Canada.

#### THE CANADIAN WHEAT BOARD

The Canadian Wheat Board Act provides for the constitution and powers of the Canadian Wheat Board, which exercises, on behalf of producers, monopolistic controls in the marketing of wheat, and of oats and barley, grown in the provinces of Manitoba, Saskatchewan and Alberta and in the Peace River District and other designated parts of the province of British Columbia. The present Wheat Board system of marketing grain developed over a lengthy period and has resulted from a number of main influences. These influences include the early and continuing interest of producers in improving their marketing procedures and achieving a greater measure of price stability, as evidenced by the important role of co-operative enterprise in grain marketing, as well as the part played by the government in ensuring quality standards and in exercising monopoly control of grain marketing during periods of emergency.



The Canadian Wheat Board Act was passed in 1935 but has been amended extensively since that time. The Act provides for a Board, as a body corporate, consisting of from three to five commissioners appointed by the Governor in Council, which has as its objective the "marketing in an orderly manner, in interprovincial and export trade, grain grown in Canada".

The Board does not own any marketing facilities but enters into handling agreements, covering handling and storage charges, each year with owners of country elevators and terminal elevators, and appoints private grain firms as its agents.

Initial payments in respect of the basic grade of wheat, oats and barley are established annually by the Government. The Board establishes the initial payment for other grades in relationship to the payments established for the basic grades. Such initial payments are guaranteed by the federal government and thus represent a support or floor price.

The Board buys all wheat, oats and barley delivered by producers at country elevators and pays for it on the basis of initial payments, less the handling charge which has been negotiated by the Board. Producers also receive a certificate, indicating the number of bushels of each grade delivered. This certificate entitles the producer to share in the equitable distribution of the surplus returns over operating costs from the sale of each grain delivered during a pool period, for which separate accounts are maintained.

Cash advances on the security of grain held on farms may be made by the Canadian Wheat Board under the authority of the Prairie Grain Advance Payments Act, repayment being made by deductions from the initial payment on grain delivered subsequent to the loan.

Grain delivery quotas are established by the Board from time to time throughout the season for different shipping points, as a means of allocating delivery opportunities among producers as equitably as possible during periods when there is not sufficient space available in country elevators to take delivery of all the grain which they may wish to market.

A permit book is issued to each producer each year, which sets out the acres in the different crops and in summerfallow on his farm and calculates the number of "specified" acres on the farm in accordance with an established formula.

Following the completion of a "unit" quota which provides an equal opportunity for all permit book holders to deliver a fixed quantity of grain early in the season, delivery quotas are established on the basis of a certain number of bushels per "specified" acre on each farm.

The control of grain movement from country elevators to terminal positions at the Lakehead, Pacific Coast ports, Eastern Canada and interior and domestic mills is exercised by the Board through the issuance of shipping orders to the various elevator companies, based on the percentage of grain receipts obtained at their elevators during the preceding 12 month period. The railway companies are advised by the Board of all shipping orders issued as a basis for the distribution of boxcars.

The cost of storage is paid by the Board according to a rate negotiated annually. Such storage costs are a charge against producer returns from the sale of grain, except that in accordance with the Temporary Wheat Reserves Act. Under this Act the federal government pays the Board, for the benefit of producers, an amount equal to the carrying charge paid by the Board on the number of bushels in storage at August 1, in excess of 178 million bushels.

Wheat Board agents are appointed from among the grain trade, shipping and exporting firms to actually sell the grain, although the merchandising function, particularly in the case of wheat is a combined and complex operation, also involving the Board and its overseas offices, the railways, lake steamship companies, the Trade Commissioner Service of the Department of Trade and Commerce, and in some instances the Government of Canada. In cases where a foreign government prefers, it may deal directly with the Board in purchasing grain but in such cases the agents usually are involved in contracts which are supplementary to a master sales agreement.

Wheat, oats and barley are offered for sale for export by the Canadian Wheat Board, either through its agents or on the basis of a direct agreement between the Board and the foreign government or a government agency as purchaser of the grain. The Board sets its selling price for various grades of wheat daily. Wheat is quoted for export basis in store Fort William-Port Arthur, Churchill and Vancouver terminal positions and c.i.f. Atlantic, St. Lawrence, Baie Comeau, Seaway and Lake Ports, and separate prices may be established for each of these positions at the same time. Sales of wheat for domestic use are made at the same price level as sales to all export destinations. There is no wheat futures market in Canada.

The Board's operations relating to the marketing of oats and barley are less extensive than those relating to wheat. These two grains are sold in store at the terminal elevators at Fort William-Port Arthur and Vancouver. Oats and barley are marketed either on a cash basis at prices quoted daily by the Board or on the basis of trading in futures



on the Winnipeg Grain Exchange. The Board does not control the movement of coarse grains from the Lakehead to Eastern Canada and the private trade is solely responsible for the movement of oats and barley out of Fort William-Port Arthur and Vancouver.

The Canadian Wheat Board's general pricing policy permits the use of a deferred pricing policy on export sales of wheat at the discretion of the purchaser. Since there is no futures market for wheat in Canada, this measure lends flexibility to the Board's pricing and provides a degree of hedging for the buyer. Under this policy, settlement may be made at prices prevailing on any day, up to the maximum number indicated below, after the final delivery date of the contract for the respective ports of shipment.

(a) After date of calling

Fort William-Port Arthur	14	market	days
Georgian Bay ports	13	"	"
Goderich, Sarnia and Walkerville	12	"	"
Port Colborne and Humberstone	11	"	"
Toronto	10	"	"
Kingston and Prescott	9	"	"
Churchill	9	"	"
St. Lawrence and Canadian Atlantic ports	8	"	"
Fort William-Port Arthur to Prescott	8	"	"

(b) After date of completion of loading

For exports out of Pacific coast ports the period is conditioned by the destination. For destinations west of the Panama Canal but including South America, Central America and the Caribbean areas, up to 15 market days. For areas east of the Panama Canal with the exception of South America, Central America and the Caribbean areas, up to 22 market days after date of completion of loading.

An "accounting price" is established at the time of call or delivery but the final price may be fixed by the purchaser within the time limits set out

above. If the purchaser does not declare his option prior to the expiry date, the market price prevailing on that date is automatically used in finalizing the sale.

Since 1952 the payments on exports of Canadian cereals on credit terms have been insured by the Export Credits Insurance Corporation (a government agency). The E.C.I.C. can insure cereal sales only with the specific authorization of the federal government. The Government is currently authorizing such coverage for sales of wheat to Bulgaria, Czechoslovakia, Hungary and Poland. The maximum credit terms offered are 10 per cent cash and the balance in 24, 30 and 36 months. In addition, the Canadian Wheat Board sells to Mainland China and East Germany on credit terms of 25 per cent cash and the balance in 18 months. These terms are made possible by a direct Canadian Government guarantee to chartered banks in Canada on loans made for this purpose to the Canadian Wheat Board.

Control of imports into Canada of wheat, wheat flour, oats and barley and certain of the primary manufactured products derived therefrom is vested in the Board and imports are subject to license issued by the Board.

Producer marketings of wheat through the elevator system operated under agreement with the Canadian Wheat Board registered an all-time high at over 630 million bushels in 1966-67. The total producer marketings of all grains was 833 million bushels (Table 50). These marketings were made by 198,054 producers holding Canadian Wheat Board delivery permits of which 36,258 were in Manitoba, 92,302 in Saskatchewan and 69,494 in Alberta and British Columbia. Rail shipments of grain from Western country elevators for 1966-67 amounted to 808 million bushels of which 607 million bushels was wheat.

TABLE 50.- PRODUCERS' MARKETING - WESTERN CANADIAN GRAINS, CROP YEARS 1942-43 TO 1967-68

- 185 -

Crop Year	Wheat	Oats	Barley	Rye	Flaxseed	Rapeseed <sup>a/</sup>	Total
					- thousands of bushels -		
1942-43	267,340	120,689	85,571	9,777	11,359		494,736
1943-44	329,322	144,277	85,549	4,690	14,239		578,077
1944-45	351,384	134,615	75,690	4,122	7,154		572,965
1945-46	237,300	107,397	67,272	3,096	4,734		419,799
1946-47	334,618	99,856	67,553	5,577	4,808		512,412
1947-48	246,602	72,652	65,014	10,143	10,503		404,914
1948-49	293,987	85,924	70,252	17,502	15,166		482,831
1949-50	319,571	80,448	53,326	8,689	1,493		463,527
1950-51	367,845	102,688	83,414	7,441	3,254		564,642
1951-52	455,362	133,608	130,336	11,727	6,363		737,396
1952-53	535,989	119,750	165,036	15,926	8,155		844,856
1953-54	396,961	90,367	101,397	12,209	7,403		608,337
1954-55	319,780	70,221	112,568	13,191	8,792		524,552
1955-56	352,975	71,629	114,460	12,486	15,750		567,300
1956-57	362,454	69,254	120,661	4,063	29,013		585,445
1957-58	378,192	58,272	116,866	7,395	15,296	7,063	583,084
1958-59	367,723	39,280	122,838	4,667	17,469	6,502	558,479
1959-60	378,514	24,338	95,591	4,291	13,961	2,999	519,694
1960-61	396,212	37,634	87,898	5,824	18,136	9,573	555,277
1961-62	305,345	28,155	59,329	3,417	11,985	10,042	418,273
1962-63	474,293	88,989	80,477	9,372	13,528	5,690	672,349
1963-64	568,620	49,744	91,943	7,971	17,375	7,484	743,137
1964-65	524,515	41,002	74,975	7,347	16,847	10,875	675,561
1965-66 <sup>b/</sup>	569,363	51,715	93,886	12,065	23,689	18,775	769,493
1966-67 <sup>b/</sup>	630,755	38,254	112,557	10,939	20,156	20,836	833,497
1967-68 <sup>c/</sup>	446,200	28,700	83,000	6,500	7,900	19,100	591,400

<sup>a/</sup> Rapeseed marketings prior to 1957-58 are not available.<sup>b/</sup> Subject to revision.<sup>c/</sup> Preliminary and subject to revision.Source: (1) 1966-67 Annual Report of the Canada Wheat Board  
(2) Board of Grain Commissioners for Canada



Exports of Canadian wheat and wheat flour reached new levels during the past 5 years amounting to 594 million bushels in 1963-64, 584 million in 1965-66 and 514 million in 1966-67 (Table 51). These quantities accounted for 26.6 per cent, 23.8 per cent and 27.2 per cent, respectively, of the total world trade in wheat and flour for those years. In 1967-68 exports of wheat and wheat flour declined to 335 million bushels. Visible stocks of wheat at July 31, 1968 were 418 million bushels as compared with 372 million bushels at July 31, 1967 (Table 52).

The schedule of Canadian Wheat Board payments for pool account years 1945-46 to 1966-67, on the basis of No. 1 Manitoba Northern, which is presented in Table 53, shows the government involvement in providing a support price for wheat through the guaranteed initial payment. Similar information for barley and oats for the pool account years 1955-56 to 1966-67, is presented in Table 54. Only in the case of oats in 1956-57, have the returns from a pool been insufficient for the Board to make a final payment additional to the initial payment.

#### PRODUCER MARKETING BOARDS

Many illustrations are recorded of the limited effectiveness of "voluntary" co-operative marketing organizations in achieving any real measure of orderly marketing or bargaining power in price making. In a situation of surplus supply, non-members tended to cut prices and to move their supplies leaving the main burden of supply control on the co-operatives. This situation occurred in the fruit and vegetable industry in British Columbia in the 1920's and gave rise to provincial government intervention in the form of the Producer Marketing Act in 1927. This statute gave a

TABLE 51.- EXPORTS OF CANADIAN GRAIN AND GRAIN PRODUCTS, CROP YEARS 1942-43 TO 1967-68

Crop Year	Wheat <sup>a/</sup>	Flour <sup>b/</sup>	Oats and Oats Products	Barley and Barley Products <sup>c/</sup>	Rye	Flaxseed <sup>d/</sup>	Rapeseed <sup>e/</sup>	Total
- thousands of bushels -								
1942-43	158,112	56,589	63,323	33,761	2,004	5,202		318,991
1943-44	283,166	60,589	74,737	36,103	8,108	10,050		472,753
1944-45	280,289	62,657	85,798	39,407	6,188	4,327		478,666
1945-46	278,070	62,038	43,861	4,416	2,968	346		391,699
1946-47	163,388	79,470	29,759	7,658	5,269	61		285,605
1947-48	133,505	61,477	10,202	3,730	10,226	1,788		220,928
1948-49	184,235	48,094	23,220	24,446	10,239	4,413		294,647
1949-50	179,457	45,680	20,547	20,837	9,954	3,034		279,509
1950-51	185,039	55,922	35,397	27,392	9,367	4,131		317,248
1951-52	304,722	51,103	70,646	73,458	6,820	2,882		509,631
1952-53	329,026	56,501	65,371	122,077	8,993	4,060		586,028
1953-54	208,835	46,246	70,700	93,742	16,835	5,172		441,530
1954-55	211,288	40,621	22,247	80,876	9,311	6,345		370,688
1955-56	272,260	40,000	4,142	68,700	12,918	11,583		409,603
1956-57	230,856	33,540	18,681	81,537	5,448	22,655	4,189	396,906
1957-58	279,912	40,381	26,184	80,297	5,446	14,356	6,458	453,034
1958-59	257,421	37,125	7,513	70,444	3,222	14,626	5,754	396,105
1959-60	240,321	36,970	6,077	63,759	4,515	12,693	2,948	367,283
1960-61	317,567	35,682	2,680	47,178	2,613	14,396	8,118	428,234
1961-62	326,069	31,953	3,454	42,909	4,363	12,451	6,974	428,173
1962-63	304,102	27,265	21,700	15,377	7,310	12,995	5,725	394,474
1963-64	539,637	54,910	18,759	46,935	5,501	14,232	5,330	685,304
1964-65	368,052	31,542	15,551	37,032	4,857	15,682	9,276	481,992
1965-66	546,781	38,125	15,922	38,029	8,050	19,505	13,632	680,044
1966-67	483,456	31,851	4,085	58,542	9,963	17,079	13,812	618,788
1967-68 <sup>f/</sup>	310,700	24,600	3,100	35,300	4,300	12,600	12,300	402,900

<sup>a/</sup> Wheat exports include Bagged Seed Wheat for the Years 1955-56 to 1966-67.

<sup>b/</sup> Wheat equivalent.

<sup>c/</sup> Barley exports include barley malt and pot and pearl barley for the years 1946-47 to 1966-67 but bulk barley only for earlier years.

<sup>d/</sup> Flaxseed exports include linseed oil for the years 1956-57 to 1966-67 but bulk flaxseed only for earlier years.

<sup>e/</sup> Rapeseed exports prior to 1956-57 not available - includes exports of rapeseed oil.

<sup>f/</sup> Preliminary and subject to revision.

Source: (1) 1966-67 Annual Report of the Canadian Wheat Board  
 (2) Board of Grain Commissioners for Canada  
 (3) Dominion Bureau of Statistics.

TABLE 52.- CANADIAN GRAIN STORAGE POSITION<sup>a/</sup>, VISIBLE STOCKS OF PRINCIPAL GRAINS AS AT JULY 31, 1943 - 1967

Year	Wheat	Oats	Barley	Rye	Flaxseed	Rapeseed <sup>d/</sup>	U.S. and Foreign Grain <sup>c/</sup>	Total	Total Rated Capacity <sup>b/</sup>
- thousands of bushels -									
1943	404,419	30,937	27,965	9,182	3,346		895	476,744	605,988
1944	302,660	39,056	22,570	4,550	2,825		2,502	374,163	603,792
1945	229,423	33,430	11,100	1,519	2,178		167	277,617	575,882
1946	46,397	26,405	16,053	515	1,006		378	90,754	510,053
1947	60,153	16,918	12,272	475	356		359	90,533	505,197
1948	38,548	10,298	14,076	628	3,076		334	66,960	507,756
1949	58,988	12,144	11,187	7,731	10,501		349	100,900	513,243
1950	99,811	11,326	9,031	5,300	4,361		8,407	138,236	520,181
1951	166,943	35,696	35,642	2,449	998		3,607	245,335	530,755
1952	197,916	50,522	58,028	6,748	2,055		668	315,937	542,668
1953	289,469	53,749	73,432	13,036	2,468		421	432,575	564,446
1954	386,815	28,519	49,100	6,425	1,548		1,449	473,856	573,429
1955	398,893	30,567	49,178	8,305	909		520	488,372	586,237
1956	375,369	47,906	60,483	6,208	2,067		450	492,483	614,679
1957	410,386	54,115	61,799	3,520	6,061		1,276	537,157	628,302
1958	407,554	46,916	60,665	4,032	4,722		965	524,854	636,660
1959	419,001	38,979	71,153	4,480	5,003	214	1,825	540,655	641,946
1960	455,888	20,827	58,470	2,953	4,064	116	2,534	544,852	639,055
1961	437,391	21,454	52,457	4,817	6,170	487	5,381	528,157	649,309
1962	331,888	22,166	31,544	2,599	3,949	2,194	11,390	405,730	643,768
1963	422,547	57,878	60,295	3,609	3,178	525	6,341	554,373	660,466
1964	338,800	50,608	58,270	5,402	5,251	881	7,371	466,583	669,224
1965	403,924	39,421	52,976	6,602	6,141	1,251	7,829	518,144	675,680
1966	320,122	36,163	64,753	8,167	8,941	2,984	8,158	449,288	677,758
1967	371,750	28,791	64,751	6,095	10,331	4,859	7,799	494,376	682,187
1968 <sup>e/</sup>	418,200	20,500	55,600	5,200	4,000	6,700	8,000	518,200	697,478

<sup>a/</sup> Includes stocks in unlicensed mills and any stocks in licensed mills which have been transferred from elevator storage proper to the mill or feed plants for processing.

<sup>b/</sup> For the years 1943 to 1953 the capacity shown is the position as at December 31st. For 1954 and subsequent years the quantities indicate the capacity as at July 31st. and include only licensed capacity.

<sup>c/</sup> From 1943 to 1948 inclusive - stocks are for the week ending closest to July 31st. in each case.

<sup>d/</sup> Visible stocks of rapeseed prior to 1959 not available.

<sup>e/</sup> Preliminary and subject to revision.

Source: (1) 1966-67 Annual Report of the Canadian Wheat Board  
(2) Board of Grain Commissioners for Canada



TABLE 53.- SCHEDULE OF CANADIAN WHEAT BOARD PAYMENTS FOR NO. 1 NORTHERN WHEAT BASIS IN STORE FORT WILLIAM/PORT ARTHUR OR VANCOUVER, POOL ACCOUNT YEARS 1945-46 TO 1966-67

Pool Account	Initial Payment	Adjustment Payment	Interim Payment	Final Payment <sup>a/</sup>	Total Realized Price <sup>a/</sup>
- dollars per bushel -					
1945-46	1.25	.50	-	.084	1.834
1946-47	1.35	.40	-	.084	1.834
1947-48	1.35	.40	-	.084	1.834
1948-49	1.55	.20	-	.084	1.834
1949-50	1.75	-	-	.084	1.834
1950-51	1.40	.20	-	.258	1.858
1951-52	1.40	.20	-	.236	1.836
1952-53	1.40	.20	.12	.099	1.819
1953-54	1.40	-	.10	.064	1.564
1954-55	1.40	-	.10	.151	1.651
1955-56	1.40	-	.10	.109	1.609
1956-57	1.40	-	.10	.088	1.588
1957-58	1.40	-	.10	.121	1.621
1958-59	1.40	-	.10	.096	1.596
1959-60	1.40	-	.10	.090	1.590
1960-61	1.40	-	.10	.295	1.795
1961-62	1.40	.10	-	.410	1.910
1962-63	1.50	-	-	.374	1.874
1963-64	1.50	-	-	.474	1.974
1964-65	1.50	-	-	.387	1.887
1965-66 <sup>b/</sup>	1.50	-	-	.497	1.997
1966-67 <sup>b/</sup>	1.50	-	-	-	-

<sup>a/</sup> Final payment and final realized price after deduction of Board operating costs, but prior to deduction of P.F.A.A. Levy.

<sup>b/</sup> Pool account not closed out at date of report.

Source: 1966-1967 Annual Report of the Canadian Wheat Board.

TABLE 54.-- SCHEDULE OF CANADIAN WHEAT BOARD PAYMENTS FOR NO. 3 CANADA WESTERN 6-ROW BARLEY AND NO. 2 CANADA WESTERN OATS, BASIS IN STORE FORT WILLIAM/PORT ARTHUR, POOL ACCOUNT YEARS 1955-56 TO 1966-67

Pool Account	Barley		Oats		Final Realized Price <sup>a</sup>
	Initial Payment	Final Payment <sup>a</sup> / Realized Price <sup>a</sup>	Initial Payment	Final Payment <sup>a</sup> / Realized Price <sup>a</sup>	
1955-56	96	12.8	65	14.8	79.8
1956-57	96	6.0	65	-	65.0
1957-58	96	7.3	60	7.4	67.4
1958-59	96	4.7	60	9.5	69.5
1959-60	96	2.2	60	17.1	77.1
1960-61	96	8.5	60	14.2	74.2
1961-62	96	32.0	60	17.2	77.2
1962-63	96	17.2	60	11.8	71.8
1963-64	96	21.8	60	9.2	69.2
1964-65	96	30.0	60	17.2	77.2
1965-66	96	32.6	60	24.5	84.5
1966-67 <sup>b</sup>	96	-	60	-	-

a/ Final payment and final realized price after deduction of Board operating costs, but prior to deduction of P.F.A.A. Levy.

b/ Pool account not closed out at date of report.

Source: 1966-1967 Annual Report of the Canadian Wheat Board.

committee of directors exclusive power to control and regulate the marketing of all tree fruits, small fruits, vegetables, grain or cereals grown in a designated area of British Columbia. The committee achieved a considerable degree of success in its operations but in 1931 the Act was declared ultra vires on grounds of interference with interprovincial trade.

The fruit and vegetable growers of British Columbia remained firmly convinced of the necessity of legislation for marketing control. Using as an illustration the marketing acts of 1931 and 1933 in Great Britain, they exerted pressure on the federal government for national marketing legislation.

This approach to agricultural marketing control was one in which governments would play the role of referee while farm organizations set up and operated their own marketing schemes. These schemes represented an extension of attempts made by co-operative organizations to strengthen the bargaining power of the producer in price making through orderly marketing and control of surpluses. The first national effort along these lines in Canada came with the passing of the Natural Products Marketing Act in 1934. The basic purpose of this Act was to minimize price fluctuations and achieve better returns for the producers of farm products marketed in interprovincial and export trade. This was to be accomplished through the regulation of the timing, manner of distribution and the quantity and quality of product which might be marketed. During the three years that the Act was in force, the federal government spent \$1.4 million in the form of assistance. Under it, 22 marketing schemes were approved covering a wide variety of natural products including fruit, tobacco, dry beans, vegetables, jam, cheese, butter, berries, sheep, halibut, smoked herring, dried salt herring, dried salt salmon and shingles. The Act was declared ultra vires by the Supreme



Court of Canada and the Judicial Committee of the Privy Council and the Dominion Marketing Board ceased all activities under the Act on December 31, 1937.

As a precautionary measure against the possibility that the federal act might be declared ultra vires, the British Columbia legislature passed the British Columbia Natural Products Marketing Act Amendment Act, 1936, bringing marketing boards solely under authority of provincial legislation and setting up boards for the continued operation of marketing schemes. Similarly, to maintain the Ontario marketing schemes in operation, the legislature of that province passed the Ontario Farm Products Control Act, 1937. In New Brunswick, similar action was taken. As a result of this action, 12 provincial boards continued to operate, including 7 which had been in existence under the federal act.

Following the outbreak of World War II, the federal government established the War Measures Act and the Wartime Prices and Trade Board. The provincial schemes operated satisfactorily under the war measures legislation and their success encouraged the establishment of additional marketing schemes in all provinces.

In 1949, with the withdrawal of the War Measures Act, the federal government passed the Agricultural Products Marketing Act.

The Agricultural Products Marketing Act, 1949 - The purpose of the Agricultural Products Marketing Act, 1949, is to broaden the scope of operations of agricultural marketing boards established under provincial legislation by granting to them authority respecting interprovincial and export trade. Following the 1937 court decision declaring the Natural Products Marketing Act ultra vires, most of the provinces passed provincial acts providing for the control of the marketing of agricultural products intraprovincially, but

the lack of authority to control the movement of their products outside provincial boundaries was found to be a serious handicap. To meet this need the Agricultural Products Marketing Act provides that producer marketing boards, operating with certain powers from their respective provincial legislatures, may be authorized to continue to use their powers when selling outside their province or outside Canada.

The legislation has been tested on two occasions before the Supreme Court of Canada, once on a Prince Edward Island case and once on an Ontario case, and has been ruled *intra vires*. Following the Ontario test case, the Act was amended in 1957 to provide a basis for collecting levies which in the Ontario case were considered outside of provincial jurisdiction. The amended act permits provincial marketing boards to fix, impose, and collect levies or charges for such purposes as the creation of reserves, the payment of operating expenses and losses, and the equalization of returns among the producers of the products subject to the marketing scheme.

At September 15, 1968, 54 marketing boards had their authority extended with respect to marketing agricultural products in interprovincial and export trade. These boards were distributed by provinces as follows: British Columbia 6, Alberta 3, Saskatchewan 2, Ontario 17, Quebec 21, New Brunswick 1, Nova Scotia 3 and Prince Edward Island 1 (Table 55). In addition, authority with respect to the collection of levies had been extended to five boards, all of which are located in Ontario.

In 1956 there was a total of 30 marketing boards. Producers' receipts under marketing boards jurisdiction, including the Canadian Wheat Board, accounted for 35 per cent of the total cash receipts from farming operations (Table 56). At that time marketing board activity was confined to 3 fruit

TABLE 55.- MARKETING BOARDS TO WHICH AUTHORITY WAS DELEGATED UNDER THE AGRICULTURAL PRODUCTS MARKETING ACT AT JULY 31, 1968

Province	Board	Province	Board
British Columbia	The British Columbia Fruit Board The British Columbia Coast Vegetable Marketing Board The British Columbia Interior Vegetable Marketing Board The British Columbia Broiler Marketing Board The British Columbia Turkey Marketing Board The British Columbia Egg Marketing Board	Quebec	The Quebec North-West Pulpwood Producers' Board The Rimouski-Matapedia Pulpwood Producers' Board The Rimouski-Matapedia Wood Producers' Board The Gaspesia Pulpwood Producers' Board The Temiscamingue Pulpwood Producers' Board The Levis and Bellechasse Pulpwood Producers' Board The Ste. Anne de la Pocatiere Region Wood Producers' Board The Pontiac Forest Products Producers' Board The Gatineau Valley Forest Products Producers' Board The Lotbiniere Forest Products Producers' Board The Megantic Forest Products Producers' Board The Rimouski-Temisconata Forest Products Producers' Board The Rimouski-Wood Producers' Syndicate The Eastern Townships Region Wood Producers' Syndicate The Wood Producers' Syndicate of Quebec-South The Quebec South Maple Sugar and Syrup Producers' Board The Hull Region Milk Producers' Board The Quebec Industrial Milk Producers' Marketing Board The Quebec Apple Growers' Marketing Board The Quebec Flue-Cured Tobacco Producers' Board The Eggs for Consumption Producers' Federation
Alberta	The Alberta Potato Commission The Alberta Broiler Growers' Marketing Board The Alberta Turkey Growers' Marketing Board	New Brunswick	The New Brunswick Hog Marketing Board
Saskatchewan	The Saskatchewan Broiler Chicken Producers' Marketing Board The Saskatchewan Turkey Producers' Marketing Board	Nova Scotia	The Nova Scotia Marketing Board, with respect to wool, to hogs and to broiler chicken
Ontario	The Ontario Flue-Cured Tobacco Growers' Marketing Board The Farm Products Marketing Board of Ontario with respect to: The Ontario Greenhouse Vegetable Producers' Marketing Board The Ontario Vegetable Growers' Marketing Board The Ontario Onion Producers' Marketing Board The Ontario Asparagus Growers' Marketing Board The Ontario Bean Producers' Marketing Board The Ontario Wheat Producers' Marketing Board The Ontario Berry Growers' Marketing Board The Ontario Grape Growers' Marketing Board The Ontario Fresh Grape Growers' Marketing Board The Ontario Tender Fruit Growers' Marketing Board The Ontario Fresh Fruit Growers' Marketing Board The Ontario Hog Producers' Marketing Board The Ontario Egg and Fowl Producers' Marketing Board The Ontario Broiler Chicken Producers' Marketing Board The Milk Commission of Ontario with respect to The Ontario Milk Marketing Board for Ontario Cheese and Ontario Milk	Prince Edward Island	The Prince Edward Island Potato Marketing Board

In addition, the following Boards had authority as at March 31, 1968, to collect levies:

The Ontario Bean Producers' Marketing Board  
The Ontario Wheat Producers' Marketing Board  
The Ontario Milk Marketing Board  
The Ontario Tender Fruit Growers' Marketing Board  
The Ontario Grape Growers' Marketing Board



TABLE 56.- PRODUCERS MARKETING BOARDS IN CANADA, NUMBER AND VALUE OF PRODUCERS RECEIPTS, 1956 AND 1966

Commodity	Number of Boards		Provinces		Producers' Receipts		Percentage of farm cash Receipts	
	1956	1966	1956	1966	1956	1966	1956	1966
					thousand dollars			
Hogs	3	4	Ont., N.B., N.S.	Man., Ont., N.B., N.S.	89,000	165,941	34	39
Fruits and vegetables	14	22	B.C., Ont., P.E.I.		33,000	79,995	24	33
Poultry products	0	11		B.C., Ont., Que.	0	49,706	0	22
Dairy products	5	38	Ont., N.B.	Ont., Que., N.B., N.S.	76,000	174,129	18	30
Forest and maple products		27		Que., N.B.	0	15,371	0	41
Honey	3	2	Sask., Man., Ont.	Sask., Man.	1,400	1,722	}	4
Sugar beets	1	1	Ont.	Ont.	2,000	2,920		
Seed corn	1	1	Ont.	Ont.	600	1,521		
Soybean	1	1	Ont.	Ont.	9,000	20,986		
Wool	1	1	N.S.	N.S.	62	37		
Oysters		1	B.C.	B.C.		964		
Tobacco			Ont., Que.	Ont., Que.		158,299		99
Wheat, Ontario		1	Ont.	Ont.		20,963		3
Canadian Wheat Board								
Wheat, Oats, Barley	1	1			678,109	1,096,858	95	94
Total	30	114			889,171	1,789,666	35	41

1956

and vegetable boards in British Columbia; 2 honey boards and the Canadian Wheat Board in the Prairie Provinces; 18 marketing boards in Ontario (comprising 10 fruit and vegetable boards, 3 dairy boards, 1 hog, 1 sugar beet, 1 seed-corn, 1 soybean and 1 honey); to 6 boards in the Maritime Provinces (2 hog, 1 cream, 1 cheese, 1 wool, 1 potato). Newfoundland had no board in operation. Marketing board legislation in Quebec had just been sanctioned at the end of 1956.

In 1966, 114 marketing boards had jurisdiction over farm products in Canada. Quebec marketing boards alone numbered 66. New board activity was added mainly for dairy products, forest products, poultry products, vegetables, tobacco, hogs and wheat. Producers' receipts under such boards represented 41 per cent of the total cash receipts from farming operations. Six provinces have a broiler board; five have a turkey board; and three have an egg board. The trend is towards marketing plans, within provinces, affecting all producers of the same commodity. Most poultry boards have just started operations and a large portion of the dairy products in Quebec is coming under a board jurisdiction. It is estimated that in 1967-68 marketing boards handled farm products valued at more than 50 per cent of total cash receipts from farming operations.

The Agricultural Products Co-operative Marketing Act, 1939 - The Agricultural Products Co-operative Marketing Act which was passed in 1939, represented a new approach in marketing legislation. The object of the act is to provide farmers with a guaranteed cash advance to assist in the orderly marketing of farm products. The act covers any agricultural product except wheat and provides that the product must be marketed under a co-operative plan with a pooling of returns.

To participate in this marketing arrangement, a group of primary producers, a processor or selling agency, which markets farm products on a co-operative plan applies to the Minister of Agriculture for an agreement under the Act. The Minister may, with the approval of the Governor in Council, sign an agreement if he considers that it would benefit the producers in the association and that sufficient produce would be marketed under it.

In general, the agreement provides for: a guaranteed initial payment to producers after delivery and inspection of acceptable varieties and grades of the product; its classification into and sale through designated pools; a pooling of returns and deduction of specified allowances for handling costs; a distribution of any net surplus to participating producers, or federal compensation to the selling agency for any authorized deficit in its operations under the agreement.

The initial payments are subject to negotiation, but may not exceed 80 per cent of the producers' average returns for like grades and qualities of the product during the 3 years immediately preceding the year of production covered by the agreement. The federal government guarantees the banks against loss in advancing funds to the selling agency to make the initial payment. Producers must deliver the product to the selling agency before the final delivery date stated in the agreement. On delivery the products are inspected and classified by grade and variety into designated pools and the appropriate initial payment made.

The selling agency agrees to "receive and take delivery of, handle, transport, store, market and otherwise dispose of ..." the commodity delivered to it by, or on behalf of, a marketing board or approved organization or



group of producers. It also agrees to market the product "in such a manner and in such time and place ..." as to obtain the best returns.

After sales have been completed, returns and expenses are calculated and audited to determine whether producers are entitled to a further payment. If the average wholesale price realized from sale of the product in a pool is less than the initial payment specified for that pool plus the maximum amount allowed for handling costs, the federal government will pay the selling agency the difference between the two.

The method of calculating the "average wholesale price" and what constitute "processing and carrying and selling" costs are specifically outlined in more recent agreements. If there is any net surplus from marketing operations under the agreement, the selling agency must obtain federal approval before distributing the proceeds as interim or final payments to producers in proportion to their deliveries for marketing.

Since its inception in 1939 there has been a total of 176 agreements under the Act, involving 16 commodities (Table 57). Losses were incurred only with agreements on ranch-bred fox pelts and potatoes and totaled \$7,233,838 (Table 58). A total of 69 agreements provided assistance in the marketing of ranch-bred fox and/or mink pelts delivered in the years 1939 to 1942 and 1946 to 1953. Losses were incurred on fox pelts delivered during the years 1946-47 to 1955-56, with the exception of 1953-54, totaling \$2,109,701.

TABLE 57.- AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT, AGREEMENTS ENTERED INTO BY COMMODITY AND SHOWING THE NUMBER OF AGREEMENTS PER YEAR AND THE RELATED GUARANTEED INITIAL PAYMENT AS A PERCENTAGE OF THE THREE-YEAR AVERAGE PRODUCER'S PRICE

Year	Honey		Forage Crop Seeds		Hatch-bred Fox and Mink Pelts		Onions		Corn		Potatoes		Apples for Processing		Cheddar Cheese	
	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
1939	2	55	2	50-60	6	40-45										
1940	2	68	1	35-65	4	60										
1941	3	68	1	50-65	1	60	1	50-65	1	65						
1942	1	65	1	50-65	4	60										
1943			1	50-65												
1944			1	50-65												
1945			1	60-70							1	65				
1946			1	60	11	53					1	60				
1947	1	67	1	60	9	40-45										
1948	1	58	1	40	9	65										
1949	1	35	2	31	8	50										
1950			1	29	6	57										
1951			1	29	5	50					1	31	1			
1952			2	23-25	4	32							1		1	35
1953			2	24	2	33					2	40	1		1	80
1954			3	25-37									1		1	80
1955			1	26									1		1	80
1956			1	31									1		1	80
1957			1	44									1		1	80
1958			1	42									1			
1959			1	23-66									1			
1960			1	10-56							1	30-40	1			
1961			1	21-76									1			
1962			1	26-76									1			
1963			1	16-79									1			
1964													1			
1965													1			
1966													1			
1967													1			
	11		31		69		1		1		6		17		6	

- continued

TABLE 57.- AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT, AGREEMENTS ENTERED INTO BY COMMODITY AND SHOWING THE NUMBER OF AGREEMENTS PER YEAR AND THE RELATED GUARANTEED INITIAL PAYMENT AS A PERCENTAGE OF THE THREE-YEAR AVERAGE PRODUCER'S PRICE (continued)

Year	Dressed Turkeys		Apricots		Peaches		Prunes		Fresh Apples		Maple Products		Cherries		Tobacco	
	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
1939	1	40														
1940	2	40	1	50	1	50	1	35	1	35						
1941	1	32	1	50	1	50	1	35	1	35						
1942	1	32	1	43	1	46	1	30								
1943	1	33	1	43	1	46	1	30								
1944	1	40	1	38	1	40	1	30								
1945																
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1952																
1953																
1954																
1955																
1956																
1957																
1958																
1959																
1960			1	80												
1961																
1962			1	50											1	80
1963																
1964																
1965																
1966																
1967																
	8		7		5		5		2		4		2		1	



TABLE 58.- AGRICULTURAL PRODUCTS CO-OPERATIVE  
MARKETING ACT: LOSSES SUSTAINED, 1939  
TO 1968

	Ranch-bred for pelts	Potatoes
- dollars -		
1939-48		
1948-49 <sup>a/</sup>	437,904	-
1949-50	509,174	-
1950-51	617,082	-
1951-52	426,727	48,163
1952-53	32,993	-
1953-54	-	-
1954-55	62,937	4,585,295
1955-56	14,317	485,864
1956-57	-	4,815
1957-58	-	-
1958-59	-	-
1959-60	-	-
1960-61 <sup>b/</sup>	8,567	-
1961-68	-	-
Total	2,109,701	5,124,137

<sup>a/</sup> Payments relate to fox pelts delivered during  
1946-47.

<sup>b/</sup> Payments relate to fox pelts delivered in 1951-52.

Source: Public Accounts, Canada Department of Agriculture.

PRICE AND INCOME MAINTENANCE PROGRAMS

In addition to the move toward quasi producer combines through co-operative organizations, producer marketing boards and statutory marketing agencies, such as the Canadian Wheat Board, as a means of ensuring reasonable prices and incomes for farmers, there was a strong demand at the end of World War II for direct government intervention in providing floor prices for farm products. This demand was fortified by the fact that during the war farm product prices and hence farm incomes had been under strictly administered ceilings. It reflected also an agitation on the part of farmers in both the United States and Canada for "parity" prices which provided a fixed purchasing power and for incomes for agriculture comparable with urban industries.

In a policy statement, the Canadian Federation of Agriculture outlined their position as follows:

"Farmers should not expect society to subsidize the inefficient producers. Price supports, however, need to be established at levels which will:

- (a) provide a minimum level of return per unit of production enabling the most representative group of producers of any commodity to continue in production;
- (b) facilitate orderly production adjustments within agriculture; and
- (c) prevent undue fluctuations of market prices and production."

Agricultural Prices Support Board - In 1944, parliament passed the Agricultural Prices Support Act as a means of supporting the prices of all agricultural products (except wheat which was provided for under the Canadian Wheat Board Act), for the transition period from war to peace.

The terms of reference of the Agricultural Prices Support Board, which was set up under the Act was "to endeavor to ensure adequate and stable returns for agriculture ... and to endeavor to secure a fair relationship between the returns from agriculture and those from other occupations".

It was given power to deal in "... any natural product of agriculture except wheat, designated by the Governor in Council ... (which) included processed meat, dairy and poultry products if so designated".

There were two ways in which the Board might be authorized by the government to support the prices of farm products: (a) outright purchase, or (b) underwriting the market through guarantees. To carry out its price support programs the Board could package, process, store, ship, transport, export or insure a product. It had at its disposal a revolving fund of \$200 million as working capital. Losses resulting from price support of farm products were made up by annual votes of Parliament; operating profits were paid annually to the Receiver General as government revenue.

Beginning in 1946, price support was extended, for varying periods, to 11 commodities - cattle and beef, hogs and pork products, creamery butter, cheese, dry skimmed milk, eggs, apples, potatoes, dried white beans, honey and flour. The net expenditure on price support during the period 1947-48 to 1957-58 totaled \$100,073,260 (Table 59). Of this amount 70 per cent was for hogs and beef cattle, resulting from the outbreak of foot-and-mouth disease in 1952; 18 per cent was for dairy products, 7 per cent was for apples, 2.5 per cent for potatoes and 2.2 per cent for eggs.



TABLE 15.- AGRICULTURAL PRICES SUPPORT BOARD: NET EXPENDITURE IN PRICE SUPPORT BY COMMODITY AND YEAR, AND ADMINISTRATION COSTS, 1947-48 TO 1957-58

Commodity	Payment Year										Total
	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
	- dollars -										
Butter				1,408,216	3,820	147,278	47,429	1,632,335	5,303,301	4,647,158	2,776,663
Cheese				157,694			(-2,345)				155,349
Dry skim milk		10,820					666,584				1,094,364
Sub-total		10,820		1,565,910	3,820	147,278	711,668	1,632,335	5,303,301	4,647,158	3,871,027
Eggs											17,893,317
Flour											2,211,323
Hogs					1,866	62,593	949	117,617	490,169	54,929	1,483,200
Cattle					2,513	7,886,981	27,845,931	933,722	4,747		154,081
Wool						24,208,596	9,200,345	(-10,590)	(-40,335)		36,673,894
Sub-total					4,379	32,158,170	37,047,225	1,040,749	454,581	54,929	1,637,281
Potatoes	170,749		1,646,739		218,688						480,234
Apples		4,562,505	1,544,220					601,838	(-399)	4,831	2,521,241
Dried white beans		194,420								181,738	6,889,902
Honey				177,066							194,420
Sub-total	170,749	4,756,925	3,190,959	177,066	218,688			601,838	(-399)	186,569	9,782,629
Total	170,749	4,756,925	3,201,779	1,742,976	226,887	32,305,448	37,758,893	3,274,922	5,757,483	4,888,656	5,988,542
Administration	24,603	28,688	35,947	58,584	54,001	65,970	83,663	87,589	64,731	75,710	64,660
GRAND TOTAL	195,352	4,785,613	3,237,726	1,801,560	280,888	32,371,418	37,842,556	3,362,511	5,822,214	4,964,366	6,053,202
											100,717,406

(-) Indicates a net income.

a/ All payments relate to hogs produced in 1952.

b/ All payments relate to beef cattle produced in 1952.

c/ Payment relates to honey produced in 1948.

Source: Annual Reports of the Agricultural Prices Support Board, 1947-48 to 1957-58.

The Board's program for some of these products was as follows:<sup>1/</sup>

Creamery Butter - In 1948, the Government decided to support creamery butter as the basic national support of the domestically based dairy industry. The price support on Canada First Grade creamery butter was set and announced in advance of the production year. In 1950, since there was a carryover of some 20 million pounds of butter and an apparent drop in domestic consumption, the Government authorized the Board to reduce the price support from 58 to 53 cents a pound. Within the next year a butter shortage developed and in order to protect the consumer from high prices and taking into account the long-run producer interests, 22 million pounds of butter were imported from Europe and New Zealand at delivered prices ranging from 61 to 63 cents a pound. Import controls were placed on butter and have been continued since that time. As a result of the short supply, the price support was revised upward to 58 cents a pound and extended for two years. The support price remained at 58 cents from 1951 to April 30, 1958, and was announced on a two-year forward basis.

Aggregate butter consumption continued to increase from 1951 to October 1957 when, after a year of lower production, the market price reached 63 cents a pound and continued strong throughout the winter of 1957-58. In February 1955, the Board offered approved Canadian institutions a rebate or discount of 21 cents a pound on First Grade creamery butter purchased by them. This program ran throughout the year and up to March 31, 1956 had cost \$1.4 million, representing discount and charges on about 6.7 million pounds. It was estimated that there was an increase of about 9 per cent in the consumption of butter by these institutions during the period.

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<sup>1/</sup> Turner, A.H., Canada's Agricultural Support Measures, Journal of Farm Economics, Vol. XLI, No. 5, December, 1959.

The total cost of butter support programs from 1950-51 to March 31, 1958 was about \$16 million. Production averaged 300 million pounds a year during the support period so the cost averaged about a half cent per pound over the 10 years that butter supports were in operation under the Agricultural Prices Support Board.

Shell Eggs - The support price for eggs was set at 38 cents a dozen for Grade A Large eggs delivered into storage to Board specifications from 1950 until May 5, 1958.

Until 1957 the Board operated the egg program on a deferred offer to purchase whereby on application the trade was issued lot numbers for eggs stored to price support specifications. The Board did not actually take or seek ownership until an appropriate period late in the marketing year, unless it seemed necessary to do so in order to encourage sales. Until 1957 the only year's program on which substantial costs were involved was 1954 on which the Board lost more than \$650,000. In 1957-58, due to more or less continuous surplus conditions for a substantial part of the year, the Board offered to purchase eggs outright at the 38 cent support level.

The 1957 program cost the Board nearly \$3 million and the total cost of egg support programs up to and including 1957-58 amounted to almost \$4 million.

Hogs - Support prices on hogs were in effect each year following the termination of the United Kingdom contracts in 1950. However, with the exception of 1952, when the United States embargo on livestock from Canada was in effect due to the foot and mouth disease, market price levels were above the support level. Under the 1952 program, the Board purchased



approximately 200 million pounds of pork in the form of cuts, Wiltshire sides and canned pork and started an active selling campaign for canned pork in the domestic market by reducing the price 40 per cent below cost. During a period of about 18 months the Board sold pork at a rate that was about three times the average rate of domestic consumption. The cost of the program totaled \$36.7 million.

Cattle - As a result of the embargo on Canadian cattle because of foot and mouth disease in Saskatchewan, the Agricultural Prices Support Board was authorized to purchase cattle and beef, in whatever form was considered preferable and in accordance with its specifications, at a price equivalent to \$25 per 100 pounds live weight for good steers at Toronto with appropriate price differentials for other grades and markets throughout the country. In September the price was lowered to \$23.00 per 100 pounds. The purchase program ended in March 1953 when the United States embargo was discontinued. Some 70 million pounds of carcass beef were shipped to the United Kingdom and New Zealand diverted some 62 million pounds to the United States in place of Canadian shipments. The total cost of the program was \$33 million.

The Agricultural Products Board - The Agricultural Products Act, which was in effect on an annual basis from May 15, 1947 to March 31, 1951, provided postwar powers for the federal government to enter into bulk purchase agreements with governments of other countries; to undertake contracts for the storage or processing of agricultural products; to requisition a product to fill a contract and to confer on provincial boards the right to control the export and interprovincial movement of specified products. Under the Act, the Meat and Dairy Products Boards which were established

during World War II, continued their price stabilizing activities with respect to butter, cheese and bacon during the transition from a wartime to a peacetime economy. Net expenditures for supplementary payments made on bacon and cheese in 1950 amounted to \$589,006 and \$1,786,278, respectively.

In 1952 the Agricultural Products Act was replaced by the Agricultural Products Board Act. The functions of this Act are closely related to those of the Agricultural Prices Support Act and of the Agricultural Products Act. The Act provided statutory authority for the establishment, constitution, powers and expenditures of the Agricultural Products Board, which had first been set up in 1951 under the Emergency Powers Act to replace the Meat, Dairy Products and Special Products Boards. The 1952 order-in-council re-established it under the Agricultural Products Board Act to purchase, sell, deliver, import, store, transfer or process agricultural commodities:

- (1) as an operating agency for the Agricultural Prices Support Board;
- (2) on behalf of the government of any country; or (3) to fulfill agreements between the Canadian Government and the government of another country. But, without the approval of the Governor in Council, it may not sell any product at a price lower than the purchase price plus handling, storage and transportation costs.

As provided in its terms of reference, the Agricultural Products Board has served as an operating agency for the Agricultural Stabilization Board, the successor to the Agricultural Prices Support Board and to facilitate their joint operations the membership and administration personnel of both boards have been identical. Apart from serving as the importing agency for New Zealand butter to meet a shortage in 1951-52, the Agricultural Products Board has been active during the period 1960-61 to 1967-68 in

the purchase and re-sale for export of dry skimmilk, whole milk powder, evaporated and condensed milk and casein. During this period the net expenditures in connection with the stabilization operations on these dairy products totaled \$15.7 million (Table 60). In addition, the Board was involved with the purchase of surplus eggs for drying and sale to the World Food Program and with other ad hoc programs.

Agricultural Stabilization Board - The Agricultural Stabilization Act repealed and replaced the Agricultural Prices Support Act, as of March 3, 1958. Its purpose is to stabilize prices of agricultural commodities to assure producers fair returns for their labor and investment, and to maintain a fair relationship between prices they receive and the cost of goods and services they buy, so that they receive a fair share of the national income.

To attain this objective, the Act provides for the establishment of an Agricultural Stabilization Board, an Advisory Committee consisting of farmers and representatives of farm organizations, and a system of guaranteed prices for agricultural commodities based on a 10-year moving average formula. For nine "named" commodities - wheat, oats and barley grown outside the designated Canadian Wheat Board area, and cattle, hogs, sheep, butter, cheese and eggs - farmers are guaranteed at all times a minimum "prescribed" price of 80 per cent of the "base" price. This base price is the average price for a commodity at representative markets in Canada during the 10 years immediately preceding the year for which the support price is calculated. For other commodities "designated" by the Board as eligible for support, guaranteed or "prescribed" prices are determined at an appropriate percentage of the base price. In all cases the estimated average cost of producing the commodity, and other relevant factors, are used as a guide in establishing



TABLE 60.- AGRICULTURAL PRODUCTS BOARD: NET EXPENDITURE ON COMMODITY STABILIZATION PROGRAMS, 1960-61 TO 1967-68

Commodity	Payment Year					Total		
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68
- dollars -								
Butter <sup>a/</sup>								
Dry skim milk <sup>b/</sup>		130,680	870,013	1,003,678	300,155	901,483	3,629,861	263,901
Whole milk powder <sup>c/</sup>		4,914,586				522,715	174,727	
Evaporated and condensed milk <sup>d/</sup>						68,675	62,070	1,551
Casein <sup>e/</sup>						75,016	2,819,178	
Total Dairy Products		5,045,266	870,013	1,003,678	300,155	1,567,889	6,685,836	265,452
Eggs <sup>f/</sup>					128	51,457	11	1,846
Pork <sup>g/</sup>		(-183,269)						
Sudan Sorghum Hybrid Seed <sup>h/</sup>						(-508)	1,499	
Feed Grains <sup>i/</sup>							135,422	
TOTAL	4,861,997	870,013	1,003,678	300,283	1,618,838	6,822,768	267,298	15,744,875

a/ Relates to butter imported in 1951.

b/ Amount for 1961-62 relates to disposal of product acquired in 1957; that for subsequent years relates to sales under export programs and international relief.

c/ Amount for 1961-62 relates to international relief; subsequent years relate to product purchased and re-sold for export.

d/ Product purchased and re-sold for export.

e/ Eggs purchased for drying and sold to World Food Program.

f/ Equalization payments in connection with exports to U.S.A.

g/ Costs in connection with importation of seed for re-sale to farmers.

h/ In connection with emergency distribution of feed grains in Eastern Ontario and Quebec.

the support prices. For the nine "named" commodities, the guaranteed prices apply for 12 months from the date they become effective; for "designated" commodities, they may remain in effect for one year or for whatever period is recommended by the Board and approved by the government.

The decision as to what commodities will be supported in addition to those "named" in the Act, and the type of support offered, are determined by the government on the basis of Board recommendations. The guaranteed prices may be put into effect through:

- (1) outright Board purchases of a commodity at the prescribed price;
- (2) a deficiency payment to producers to bridge the gap between their average return and the support price; or
- (3) any other method of payment, including fixed subsidy, approved by the government.

In carrying out its support program the Board may sell or otherwise dispose of, package, process, store, ship, transport, export or insure any product, or enter into contracts or appoint agents to engage in activities to stabilize agricultural prices. For this same purpose it may support the price of any food product at a level proportionate to the prescribed price for the agricultural commodity.

The Board has at its disposal as working capital a revolving fund of \$250 million, maintained at that level by annual appropriation if there is any loss on the year's operations, or by payment of any surplus to the Consolidated Revenue Fund.

All programs which were effective under the Agricultural Prices Support Act were continued by the Agricultural Stabilization Board through March 31, 1958. These included support programs relating to shell eggs,

fowl, turkeys, creamery butter, dry skimmed milk, other concentrated milk products, potatoes, sugar beets and hogs. Floor prices for individual mandatory and other commodities were first announced under the Stabilization Act during the 1958-59 fiscal year.

In addition to the nine mandatory commodities, 17 other commodities have been designated as coming under the Act for one or more years during the period 1958 to 1968-69 (Table 61). Payment, which has been made on 22 commodities, has totaled \$668.6 million (Table 62). Of this amount 79 per cent was paid out in connection with dairy products. Livestock products accounted for 14 per cent, resulting largely from disposal of canned pork stocks accumulated following the purchase program in 1958-59 and 1959-60. Significant expenditures were also made for the stabilization of prices for eggs, wool, potatoes and sugar beets. Details with respect to the level of support each year for each of the commodities are included in Table 63.

The Board has made use of all three methods outlined above in providing support to individual products. Some appreciation of the effectiveness and problems arising from the use of each of these methods may be obtained from a brief description of the Board's operations in connection with the principal products covered.

Dairy Products - Until 1957-58 the usual means of providing assistance to the dairy industry was by an offer to purchase creamery butter, cheese or dry skim milk. The Agricultural Stabilization Board program to assist Canadian producers of milk for processing added a series of producer subsidies and supplementary payments to the offer-to-purchase approach and by 1967 the Board had developed a complex, multi-pronged dairy program.



TABLE 61.- DESIGNATED (NON-MANDATORY) COMMODITIES UNDER THE AGRICULTURAL STABILIZATION ACT, 1958-1968<sup>a/</sup>

Commodity	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
Honey	x	x	x	x	x	x					
Milk for manufacturing		x	x	x	x	x	x	x	x	x	x
Cream for manufacturing								x	x	x	x
Skimmilk powder	x	x									
Soybeans	x	x	x	x	x	x	x				
Sunflower seed		x	x	x	x	x					
Sugar beets	x	x	x	x	x	x	x	x	x	x	x
Turkeys	x	x	x	x	x						
Apples	x										
Apricots	x										
Peaches	x										
Raspberries	x										
Asparagus	x										
Tomatoes	x	x	x								
Tobacco						x	x				
Cherries										x	x
Potatoes											

<sup>a/</sup> In addition to the following "mandatory" commodities: wheat, oats and barley grown outside the designated Canadian Wheat Board area, and cattle, hogs, sheep, butter, cheese and eggs.

TABLE 62.- AGRICULTURAL STABILIZATION BOARD: NET EXPENDITURE ON PRICE SUPPORT, 1958-59 TO 1967-68

Commodity	Payment Year							Total 1958-59 to 1967-68
	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	
	- dollars -							
Butter	342,448	3,408,614	2,441,994	2,481,888	45,238,924	70,169,408	11,478,406	(-40,157) 136,433,550
Cheese	723,826	110,180	269,544	675,535	1,024,773	777,415	705,113	534,727 7,234,336
Dry skim milk	6,956,943	6,108,049	6,669	100,222	181,820	163,547		15,517,250
Caseln						1,864,893	1,941,073	3,973,099
Milk for manu- facturing		9,844,110	11,432,769	12,371,154	13,257,869	21,818,443	18,957,978	5,768,456 160,964,744
Cream for manu- facturing						22,414,676	20,877,992	1,925,766 83,054,642
Transfers to Canadian Dairy Commission, 1967-68								124,113,982 124,113,982
Sub-total	8,023,217	21,470,952	14,150,976	15,628,799	59,703,386	117,208,382	53,960,562	132,302,774 531,291,603
Eggs	3,425,746	4,810,277	2,095,528	37,696	663,024	9,536	986,347	13,546 14,061,819
Fowl	423,367	137,762	295					561,424
Hogs	135,411	27,861,833	29,243,738	2,020,419	7,529,182	6,767,688	80,210	54,543 74,144,343
Lamb	281,176	360,980	101,134	927,975	31,211	64		1,702,540
Wool	1,541,294	1,219,461	1,253,000	1,235,720	956,419	726,613	552,790	943,658 9,676,198
Sub-total	5,806,996	34,290,313	32,693,695	4,221,810	9,179,836	7,503,901	1,619,347	1,811,747 106,146,324
Tomatoes	51,641	95,461	36,028					183,130
Potatoes	367,382			401,574	619,448			2,466,151 3,854,555
Apples	768,415			(-41)				768,374
Peaches	357,214							357,214
Raspberries	429	30,660	268,260	(-7,275)				292,074
Asparagus	106,021							106,021
Soybeans		1,217,433	867,194					2,084,627
Sugar Beets		2,715,765		1,670,009	1,982,557	173		5,438,457 28,648,497
Sunflower Seed		44,377						44,377
Honey				90,985	370,821	75,859	575	538,386
Sour Cherries							300,401	300,401
Sub-total	1,651,102	4,000,578	3,931,624	2,155,252	2,972,826	76,032	300,976	7,904,608 37,177,656
Total	15,124,100	60,218,758	50,776,295	22,005,862	71,856,049	24,789,915	55,880,885	88,655,193 668,615,584
Administration	73,224	224,209	407,893	574,509	461,368	361,755	378,673	426,226 3,676,965
GRAND TOTAL	15,197,324	60,442,967	51,184,188	22,580,371	72,317,417	25,151,670	56,259,558	141,645,355 672,292,549

(-) indicates a profit on operations.

TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
<u>Named or Mandatory Commodities</u>				
Butter: Canada First (40-93 score), at Montreal				
1958	pound	.60	.64	107
1959	pound	.60	.64	107
1960	pound	.60	.64	107
1961	pound	.605	.64	106
1962	pound	.605	.64	106
1963	pound	.606 <sup>a</sup>	.52 <sup>a</sup>	86
1964	pound	.590	.53 <sup>b</sup>	90
1965	pound	.583	.55 <sup>c</sup>	94.3
1966	pound		.57 (effective January 1 to March 31, 1966)	
	pound	.579	.59 <sup>d</sup>	101.8
1967	pound	.58	<sup>e</sup>	
1968	pound	.5843	<sup>f</sup>	
Cheese: Quebec: Canada First, at Montreal				
1958	pound	.305	.335	110
1959	pound	.305	.315	103
1960	pound	.31	.315	101
1961	pound	.314	.315	100
1962	pound	.316	.325 <sup>g</sup>	102.8

- <sup>a</sup>/ To provide producers with a return equivalent to 64¢ per lb. of butter, a subsidy of 14.5¢ per lb. of butterfat was paid to them. This was equivalent to 12¢ per lb. of butter (no fluid milk sales allowed).
- <sup>b</sup>/ To provide producers with a return equivalent to 64¢ per lb. of butter, a subsidy of 13.3¢ per lb. of butterfat was paid to them. This was equivalent to 11¢ per lb. of butter (no fluid milk sales allowed).
- <sup>c</sup>/ To provide producers with a return equivalent to 64¢ per lb. of butter, a subsidy of 10.9¢ per lb. of butterfat was paid to them. This was equivalent to 9¢ per lb. of butter (no fluid milk sales allowed).
- <sup>d</sup>/ See support shown under manufacturing milk and cream.
- <sup>e</sup>/ Canadian Dairy Commission offer to purchase at 63¢ a lb., and manufacturing milk and cream supported (C.D.C.) at \$4.75 a cwt. (172% of \$2.76 base price).
- <sup>f</sup>/ Canadian Dairy Commission offer to purchase at 63¢ a lb., and manufacturing milk and cream supported (C.D.C.) at \$4.85 a cwt. (168.4% of \$2.88 base price).
- <sup>g</sup>/ Plus subsidy of 25¢ a cwt., or 2.8¢ a lb., of cheese. Effective price becomes 35.3¢ a lb. or 111.7% of base price.

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TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
Cheese: Ontario: Canada First, at Montreal and Belleville				
1958	pound	.31	.34	110
1959	pound	.31	.32	103
1960	pound	.315	.32	101
1961	pound	.324	.32	99
1962	pound	.316	.325 <sup>g/</sup>	102.8
1963	pound	.3214	.325 <sup>h/</sup>	101
1964	pound	.3287	.325 <sup>i/</sup>	99
1965	pound	.3362	.35 <sup>j/</sup>	104
1966	pound	.3474	.38 <sup>k/</sup>	109.4
1967	pound	.3577	<sup>l/</sup>	
1968	pound	.3696	<sup>m/</sup>	

Eggs: Grade A Large, at Montreal

1958	dozen	.52	.44	85
1959	dozen	.52	.44	85
1960	dozen	.52	.44	85
1961	dozen	.396	.33	83
1962	dozen	.39	.34	87
1963	dozen	.375	.34	90.7
1964	dozen	.3696	.34	92
1965	dozen	.3613	.34	94.1
1966	dozen	.3535	.34-1st 4,000 doz.	96.2
	(min. 500 doz. max. 10,000 doz., EL, L&M, Grade A)		.31-next 6,000 doz.	87.7
1967	dozen	.3469	.34	98
	(min. 1,000 doz., max. 10,000 doz., EL, L&M, Grade A)			
1968	dozen	.3486	.34	97.6

Hogs: "A" Carcass, 1958-59 at Toronto, later years National average, at grading plants

1958	100 pounds	29.75	25.00	84
1959	100 pounds	29.56	25.00	84.5
1959	100 pounds	29.56	23.65	80
1960	100 pounds	29.56	23.65	80
1961	100 pounds	27.11	22.65	83.5
1962	100 pounds	26.64	23.65	88.8
1963	100 pounds	26.94	23.65	87.8
1964	100 pounds	26.77	23.65	88.3
1965	100 pounds	26.44	23.65	89.4
1966	100 pounds	27.23	21.78	80
1967	100 pounds	28.29	22.63	80
1968	100 pounds	28.33	22.66	80

- <sup>g/</sup> Plus subsidy of 25¢ a cwt. for milk or 2.8¢ a lb. of cheese. Effective price becomes 35.3¢ a lb. or 111.7% of base price.
- <sup>h/</sup> Plus subsidy of 30¢ a cwt. for milk or 3.3¢ a lb. of cheese. Effective price becomes 35.8¢ a lb. or 110.2% of base price.
- <sup>i/</sup> Plus subsidy of 3.6¢ a lb. for Canada First Grade Cheddar. Effective price becomes 36.1¢ a lb. or 110% of base price (4¢ export subsidy).
- <sup>j/</sup> With subsidy of 3.6¢ a lb. the effective price becomes 38.6¢ a lb. or 114.1% of base price (4¢ export subsidy).
- <sup>k/</sup> With subsidy of 3.6¢ a lb. the effective price becomes 41.6¢ a lb. or 119.1% of base price (4¢ export subsidy).
- <sup>l/</sup> Canadian Dairy Commission offer to purchase at 38¢ a lb. - - plus 4¢ export subsidy.
- <sup>m/</sup> Canadian Dairy Commission offer to purchase cheese according to time of manufacture: April 1-30 ... 44¢ a lb., May 1 - November 2 ... 47¢ a lb., and November 3 - March 31 ... 42¢ a lb.

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TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
Steers: Live, Good, at Toronto				
1958	100 pounds	21.80	17.50	80
1959	100 pounds	22.28	17.80	80
1960	100 pounds	22.75	18.20	80
1961	100 pounds	22.53	18.05	80
1962	100 pounds	21.55	17.25	80
1963	100 pounds	21.61	17.30	80
1964	100 pounds	21.95	17.55	80
1965	100 pounds	22.29	17.85	80
1966	100 pounds	22.74	18.19	80
1967	100 pounds	23.44	18.75	80
1968	100 pounds	24.30	19.44	80
Lambs: Live, Good, 1958-61 at Toronto, later years National average				
1958	100 pounds	24.45	19.55	80
1959	100 pounds	24.43	19.55	80
1960	100 pounds	24.17	19.35	80
1961	100 pounds	23.52	19.35	82
1962	100 pounds	22.14	20.45	92
	100 pounds	20.37	18.80	92
1963	100 pounds	19.94	18.80	94.3
1964	100 pounds	19.74	18.80	95.2
1965	100 pounds	19.79	18.80	95
1966	100 pounds	20.38	18.80	92.2
1967	100 pounds	20.36	18.80	92.3
1968	100 pounds	20.56	18.80	91.4
Wool: 1958-63 Western Range and Eastern Domestic, later years representative grades, at Toronto				
1958	pound	.545	.60	100
1959	pound	.538	.60	110.5
1960	pound	.53	.60	113
1961	pound	.504	.60	119
1962	pound	.45	.60	133
1963	pound	.443	.60	135
1964	pound	.4369	.60	137.3
1965	pound	.4356	.60	137.7
1966	pound	.4321	.60	138.8
1967	pound	.4262	.60	140.8
1968	pound	.4057	.60	147.9
Wheat: (not C.W.B.) Ontario No. 2 C.E. or better - Ontario shipping point				
1958	bushel	1.77	1.42	80
1959	bushel	1.73	1.39	80
1960	bushel	1.70	1.39	82
1961	bushel	1.67	1.39	83
1962	bushel	1.62	1.39	86
1963	bushel	1.59	1.39	87
1964	bushel	1.60	1.28	80
1965	bushel	1.65	1.32	80
1966	bushel	1.68	1.34	80
1967	bushel	1.71	1.37	80
1968	bushel	1.76	1.41	80

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TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
Oats: (not C.W.B.) No. 2 C.E. or better, Ontario shipping point				
1958	bushel	.72	.58	80
1959	bushel	.705	.56	80
1960	bushel	.71	.57	80
1961	bushel	.71	.57	80
1962	bushel	.70	.56	80
1963	bushel	.69	.55	80
1964	bushel	.70	.56	80
1965	bushel	.70	.56	80
1966	bushel	.71	.57	80
1967	bushel	.72	.58	80
1968	bushel	.74	.59	80
Barley: (not C.W.B.) No. 2 C.E. or better, Ontario shipping point				
1958	bushel	1.04	.83	80
1959	bushel	1.01	.81	80
1960	bushel	.99	.79	80
1961	bushel	.95	.76	80
1962	bushel	.94	.75	80
1963	bushel	.95	.76	80
1964	bushel	.96	.77	80
1965	bushel	1.00	.80	80
1966	bushel	1.04	.83	80
1967	bushel	1.10	.88	80
1968	bushel	1.16	.93	80
<u>Designated (Non-Mandatory) Commodities</u>				
Honey: White No. 1, National average, at registered packing plants				
1958	pound	.1325	.12	91
1959	pound	.1295	.135	104
1960	pound	.1322	.135	102
1961	pound	.136	.135	99
1962	pound	.1349	.135	100
1963	pound	.1377	.135	98
Milk for Manufacturing: at factory				
1959	100 pounds	2.73	Payment 25¢ cwt. Est. 2.80	103
1960	100 pounds	2.71	Payment 25¢ cwt. Est. 2.80	103
1961	100 pounds	2.67	Payment 25¢ cwt. Est. 2.80	105
1962	100 pounds	.259	Payment 25¢ cwt. Est. 2.84	109
1963	100 pounds	2.56	Payment 30¢ cwt. to cheese factories only. Est. 2.86	110.2
1963	100 pounds	2.56	Payment 10¢ lb. for manu- facture of casein or caseinates only. Est. 2.81	110
1964	100 pounds	2.59	Payment 3.6¢ lb. to cheese factories for Canada First Grade Cheddar. Est. 2.91	112
1964	100 pounds	2.59	Payment 10¢ lb. for manu- facture of casein or caseinates only. Est. 2.64	110



TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
Manufacturing Milk and Cream: at factory				
1965	100 pounds	2.66	3.30	124
Any deficiency payment to be reduced by the weighted average loss by A.S.B. and A.P.B. in assisting the export of dairy products - (excluding that made from fluid milk).				
Manufacturing Milk (and Cream on equivalent basis):				
1966	100 pounds	2.71	see notes	151
Notes:				
1.	Dairy support aimed at providing an average net return of \$4 a cwt. of 3.5% manufacturing milk, f.o.b. factory.			
2.	Payments for milk and cream to producers who did not receive any fluid prices (on the basis of 100 lbs. containing 3.5% B.F.) (a) 75 cents per cwt., when Board's selling price for First Grade butter was 59¢ per lb. (Montreal) (b) 75 cents per cwt., less 4.2¢ for each cent per lb. that the Board's selling price for butter was above 59¢ (Montreal) (c) the amount by which 10 cents exceeded the weighted average loss per cwt. incurred by the A.S.B. and A.P.B. in dairy export assistance.			
3.	For a fluid milk producer, the payment applied to milk delivered in excess of 120% of deliveries for which he received Class 1 fluid milk prices.			
1967	Support administered by Canadian Dairy Commission with Board funds effective April 1, 1967.			
	Canadian Dairy Commission supports by offer to purchase 93 score butter at 63¢ and cheese at 38¢. Canadian Dairy Commission gross subsidy rate \$1.21 per cwt. of milk basis 3.5% butterfat. Support of manufacturing milk and cream at \$4.75 a cwt. level, (\$2.76 base) is 172% of base price.			
1968	Support administered by Canadian Dairy Commission with Board funds effective April 1, 1968.			
	Canadian Dairy Commission supports by offer to purchase 93 score butter at 63¢ and powder at 20¢. Canadian Dairy Commission offers to purchase cheese according to time of manufacture: April 1 - 30 ... 44¢ a lb., May 1 - November 2 ... 47¢ a lb. and November 3 - March 31 ... 42¢ a lb. Canadian Dairy Commission gross subsidy rate \$1.31 per cwt. of milk basis 3.5% butterfat. Support of manufacturing milk and cream at \$4.85 a cwt. level, (\$2.88 base) is 168.4% of base price.			
Skim milk (Powder): Spray First Grade, at Montreal				
1958	pound	.14	.15	107
1959	pound	.14	.10	71
Skim milk (Powder): Roller First Grade, at Montreal				
1958	pound	.11	.12	107
1959	pound	.11	.08	71

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TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price	
- dollars -					
Soybeans: Ontario, 1958-59 all grades, 1960-64 No. 2 or better, at elevator					
1958	bushel	2.34	2.10	90	
1959	bushel	2.30	2.00	87	
1960	bushel	2.20	2.00	91	
1961	bushel	2.13	2.13	100	
1962	bushel	2.14	2.14	100	
1963	bushel	2.15	2.15	100	
1964	bushel	2.16	2.15	99.4	
Sunflower Seed: Manitoba and Alberta, Canada No. 1 at factory					
1959	pound	.046	.04	87	
1960	pound	.043	.04	93	
1961	pound	.0415	.0415	100	
1962	pound	.0422	.0422	100	
1963	pound	.0422	.0422	100	
Sugar Beets: factory sugar at factory					
1958	Alberta	pound	.1064	.099	93
1958	Manitoba	pound	.1009	.0938	93
	Ontario	pound	.0858	.0798	93
	Quebec (the same rate of payment as is made in Ontario)				
1959	Alberta	pound	.1053	.0979	93
	Manitoba	pound	.0996	.0926	93
	Ontario	pound	.0849	.0790	93
	Quebec (the same rate of payment as is made in Ontario)				
Sugar Beets: 250 lbs. sugar yield, average at factories					
1960	National	ton	14.23	14.23	100
1961	National	ton	12.87	13.18	102
1961	Ontario	ton	12.87	13.00	101
1962	National	ton	12.87	13.72	106
	Payment to producers: equivalent to 1.22¢ per pound for each cent average price imported raw sugar Sept. 1, 1962 to Aug. 31, 1963 was less than 4.5¢ per pound.				
1963	National	ton	12.58	13.72	109
	Payment to producers: equivalent to 1.28¢ per pound for each cent average price imported raw sugar Sept. 1, 1963 to Aug. 31, 1964 was less than 4.29¢ per pound.				
1964	National	ton	13.14	13.72	104
	Payment to producers: equivalent to 1.27¢ per pound of refined sugar for each cent (Can. funds) that the average London Daily Price for raw sugar fell below \$4.32 per 100 pounds of raw sugar.				
1965	National	ton	13.83	14.35	104
	Payment to producers: equivalent to 1.17¢ per pound of refined sugar for each cent (Can. funds) that the average London Daily Price for raw sugar fell below \$4.87 per 100 pounds of raw sugar.				
1966	National	ton	13.69	14.35	105
1967	National	ton	13.58	15.50	114
1968	National	ton	13.61	15.98	117.4
1966-1968:	Deficiency payment rate to be determined with reference to the London Daily Price and Schedule attached to Order-in-Council P.C. 1966-2276 of Nov. 21, 1966 for 1966 crop, P.C. 1967-441 of Mar. 10, 1967 for 1967 crop and P.C. 1968-1191 of June 28, 1968 for 1968 crop.				

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TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
Turkeys: No. 1 live, 10 to 20 pounds, at Toronto				
1958	pound	-	.25	-
1959	pound	-	.25	-
1960	pound	.37	.20	54
1961	pound	.356	.20	56.2
1962	pound	.34	.20	58.8
Apples: British Columbia, all grades at packing plant				
1958	box	1.07	.99	93
Apricots: British Columbia, all grades at factories				
1958	ton	95.07	76.00	80
Peaches: No. 1, 2" minimum				
1958 Ontario	ton	93.10	83.00	89
1958 B.C.	ton	94.87	84.43	89
Raspberries: British Columbia, at factories				
1958 (SO <sub>2</sub> )	pound	.142	.145	102
1958 (frozen)	pound	.165	.15	91
Asparagus: No. 1, at factories				
1958 Ontario	pound	.21	.18	86
1958 B.C.	pound	.20	.17	85
Tomatoes: British Columbia, at canneries				
1958	case	5.10	5.70	112
1959	ton	36.62	37.05	110
	ton	21.84	21.375	98
1960	ton	33.46	36.00	108
	ton	21.59	20.00	93
Tobacco: Ontario, all grades flue-cured, auction exchange				
1963	pound	52.17	.47	90
Cherries: Ontario, sour at Ontario processors				
1964	pound	.095	.078	81
Potatoes: New Brunswick, Canada No. 1, at factory				
1961	barrel	2.69	1.35	50
(not less than 165 pounds)				
Potatoes: Maritimes, Canada No. 1 (1½" to 4"), export				
1961	barrel	2.89	1.45	50
(not less than 165 pounds)				

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TABLE 63.- AGRICULTURAL STABILIZATION ACT: AGRICULTURAL PRODUCTS UNDER STABILIZATION, 1958 TO 1968-69 (continued)

Year	Unit	Base Price	Support Price	Per cent of Base Price
- dollars -				
Potatoes: National, Canada No. 1 with tolerances, or No. 2 or better				
1967	barrel or pound	1.55 cwt.	1.00 a cwt. <sup>n/</sup>	65
1968	1967 crop - \$25 per acre on each acre in excess of one up to a maximum payment of \$400 per farm. -- See P.C. 1968-1076 of June 5, 1968.			

<sup>n/</sup> Note: See special arrangements with Provinces of New Brunswick, Prince Edward Island, Quebec, Ontario, Manitoba and Alberta for starch diversion, livestock feeding, disposal (disaster) programs.

Source: Agricultural Stabilization Board.

The Agricultural Stabilization Board offer-to-purchase program for butter, which was in effect from 1958-59 until the responsibility for administering the dairy programs was assumed by the Canadian Dairy Commission in 1967, maintained a support price of 64 cents for butter until 1962-63. From 1962, a subsidy program, paid initially through processors and later direct to producers, maintained the returns to producers at the equivalent of the 64 cents level for butter but reduced the cost of butter to the consumer. The cost of the butter purchase program from 1958-59 to 1966-67 was almost \$136.5 million.

The butter purchase program was supplemented in 1957-58, 1958-59 and 1959-60 by a purchase program for dry skim milk which cost \$15.5 million.

A cheese offer-to-purchase program which was in effect from 1958 through 1966-67 cost \$6.7 million.

A subsidy payment of 10 cents per pound on dried casein or caseinates, was established by the Board in 1963, for the benefit of producers of milk, the skim milk portion of which was used for the manufacture of dried casein or caseinates only. This program, which applied almost exclusively to the Province of Quebec, was continued to the end of the 1964-65 production year at a cost of \$3.9 million.

In 1959, the Board instituted a subsidy payment of 25 cents per 100 pounds to milk producers who delivered whole milk for manufacturing purposes but who did not participate in deliveries to the fluid bottled milk market. This subsidy payment was continued on this basis through the 1962-63 production year, when it was terminated. It was followed in 1963 by a payment on milk delivered to cheese factories for the manufacture of cheddar cheese only amounting to 30 cents per 100 pounds of milk or approximately 3.3 cents per pound of cheese.

In 1962, the Board was authorized to provide a 12-cent per pound subsidy to manufacturers of creamery butter to reduce the price of butter to consumers and at the same time maintain a support to producers at the 64-cent level.

A system of supplementary dairy payments, which was brought into effect in 1965, was not made under the Agricultural Stabilization Act but was authorized by Order in Council under a special vote of the federal Department of Agriculture. Payments were made to producers of milk and cream used for manufacturing, based on deliveries made to plants in the 1964-65 production year and calculated on the unit basis of 100 pounds of milk at the following rates:

- (a) 25 cents per 100 pounds for amounts to 47,999 pounds;
- (b) 20 cents per 100 pounds for amounts from 48,000 pounds to 95,999 pounds;
- and
- (c) 10 cents per 100 pounds for amounts in excess of 95,999 pounds.

In the 1966-67 support year, the Board was authorized to make payments to producers delivering manufacturing milk and cream and surplus fluid milk to plants. Payments were based on 100 pounds of milk containing 3.5 per cent butterfat, or the equivalent in cream. Payments for manufacturing milk amounted to 85 cents per 100 pounds, less 10 cents held back for export assistance (2.7 cents was returned to producers at the end of the year). Fluid milk shippers received payments for deliveries in excess of 120 per cent of those marketings, in weight equivalent, for which they received Class I fluid prices. As this program progressed, direct payments to producers were made on a monthly basis according to records of shipments received from their plants.

Export assistance was provided, under the terms of the Agricultural Products Board Act, for the following dairy products: dry skim milk, evaporated and condensed milk, dry whole milk and dry casein during 1965-66 and 1966-67. The cost of export assistance was deducted from payments made direct to producers.

Payments to producers of milk and cream for manufacturing during the period 1959-60 to 1966-67 totaled \$236.3 million.

In 1967 the Agricultural Stabilization Board was authorized to make payments to the Canadian Dairy Commission with respect to the period April 1, 1967 to March 31, 1968, to stabilize the prices of milk as prescribed for the benefit of producers of manufacturing milk and cream as follows:

- (a) the amounts required to reimburse the Canadian Dairy Commission for the cost incurred by it during the period in storing, handling and shipping dairy products acquired by it, and for the interest on loans for storing, handling, shipping and acquisition of such products;
- (b) the amounts paid by the Commission during that period, not in excess of \$250,000 for providing information to producers in respect of the program; and
- (c) \$120,400,000.

The total amount transferred to the Canadian Dairy Commission by the Board in 1967-68 was \$124,113,982.

Shell Eggs - In May 1958, following a year during which eggs were in surplus supply and for which the support program for eggs cost \$4 million, the Board was authorized to raise the offering price on Grade A Large eggs from 38 cents a dozen which had been in effect since 1950 to 44 cents a dozen.



Purchases at the 44 cent support price for Grade A Large, which was considered the equivalent of a national weighted average of 33 cents, was continued to September 1959. The cost of support operations including disposal of the surplus eggs in export markets, was \$5.9 million for the 1958-59 production. In October 1959, the Board shifted to a deficiency payment plan for eggs under which payments to registered producers were limited to an annual delivery of 4,000 dozen Grade A Large or Extra Large eggs. Deficiency payments were made at the rate of 2.4 cents per dozen up to 4,000 dozen Grade A Large per producer. The cost of the program was about \$2 million. In 1962 the support price by the deficiency payment plan, was raised to 34 cents for Grade A Large on the basis of the national average. A deficiency payment of 1 cent per dozen was made at a total cost of \$663,000.

In 1963 the support level was established at 32 cents a dozen and a deficiency payment of 2 cents a dozen was made to producers at a cost of \$986,000.

The level of support was raised to 34 cents for 1964-65, resulting in a deficiency payment of 4.3 cents per dozen amounting to \$2 million. The 1965-66 support was established at 34 cents for the first 4,000 dozen and 31 cents for the next 6,000 dozen Grade A Large eggs delivered. The 1966-67 and 1967-68 support programs were at a level of 34 cents and applied to a minimum of 1,000 dozen and a maximum of 10,000 dozen Grade A Large eggs. No payment was made for the 1965-66, 1966-67 or 1967-68 production years.

Hogs - In 1958 the Board was authorized to offer to purchase hogs at a price equivalent to \$25 a 100 pounds warm dressed weight, for Grade A carcasses, basis Toronto and Montreal. From 1953, the comparable support price for hogs had been \$23. During 1958-59 the Board purchased 56 million

pounds of frozen cuts nearly all of which were held until 1959-60. In 1959-60 the Board's purchases amounted to 128 million pounds of frozen pork cuts, 114 million pounds of canned pork luncheon meat and 8 million pounds of canned hams. These supplies were disposed of over a period of years, largely through exports at concessional prices at a total cost of \$74 million.

In January 1959, the Board discontinued its offer-to-purchase program for hogs and pork products and shifted to a deficiency payment plan of support. Payments, if any, were limited to registered producers on the basis of annual deliveries of up to 100 Grade A and Grade B hogs.

In September 1959, the support price for Grade A hogs, basis Toronto, was reduced from \$25 per 100 pounds to \$23.65. This was considered equivalent to \$22.65 on a national basis. The support price continued at this level until 1962 when it was raised to \$23.65 on a national basis, where it remained until 1966. In 1966-67 and 1967-68 the support price was at the mandatory minimum level of 80 per cent of the 10-year average base price, amounting to \$22.63 and \$22.66 respectively. From 1960 on, prices of hogs were above the support level and no deficiency payments were made.

Wool - When the Agricultural Stabilization Act became effective on April 1, 1958, the Board was authorized to prescribe a price of 60 cents a pound for wool grading Western Range, choice 58/60's,  $\frac{1}{2}$  blood staple f.o.b. Toronto. This was 110 per cent of the 10-year average base price. Since the actual average return was between 31 and 32 cents a pound, a payment of 28 cents a pound was made in connection with the wool support program in 1958-59, costing \$1.5 million. The support price for wool has been maintained at 60 cents throughout the period 1958-59 to 1967-68. During this period the support price in terms of the 10-year average base price increased from

110 per cent to 147.9 per cent. However, the marketings of wool on which payment was made declined from about 5.5 million pounds to about 3 million pounds. In 1967-68 the payment is reported to have been distributed among 18,000 producers. The total payment under the wool support program for the period 1958-59 to 1967-68 was \$9.6 million.

Potatoes - Programs of the Agricultural Stabilization Board with respect to potatoes have related to surplus situations and involved a form of deficiency payments to producers. Payments were made on potatoes from the 1957 crop which remained in storage at the end of the season in Prince Edward Island and on potatoes delivered to starch plants in New Brunswick. The total cost of this program was \$398,000.

A somewhat similar program in 1961-62 provided a deficiency payment on New Brunswick potatoes delivered to starch factories and on potatoes from the Maritimes generally which were disposed of on certain export markets. This program cost \$1.02 million.

In 1967, in addition to payments made to potato producers on potatoes used for starch manufacture and for livestock feed, a payment was made on potatoes "used for provincial disposal programs meeting conditions approved by the Board". Federal assistance totaling \$2.5 million was extended to producers in six provinces.

Sugar Beets - The Agricultural Stabilization Board program for sugar beets which began in 1958-59 provided a deficiency payment covering the difference, if any, between the support price and the average gross market price of sugar, both of which vary, as between Quebec, Ontario, Manitoba and Alberta which have the main areas of production. Payments were made on the 1958, 1959, 1960 and 1961 crops. No payments were made during the next



three years, but low international prices resulted in substantial payments during 1965-66, 1966-67 and 1967-68. Payments from 1959-60 to 1967-68 totaled \$28.6 million.

Soybeans - In 1958 the Board provided support for soybeans marketed under the control of the Ontario Soybean Growers' Marketing Board at a price equivalent to \$2.10 per bushel for Canada No. 2 grade, or better, and arranged to make deficiency payments equal to the difference between the prices received and the support price. This resulted in a payment of 19.7 cents per bushel for the 1958 production year, amounting in total to \$1.2 million. A support of \$2 per bushel in 1959 resulted in a payment of 13.6 cents per bushel, a total of about \$86,700. The Board continued to establish a support price for soybeans each year up to and including 1964 but deficiency payments were not required for any of these years. In the years following 1964 the Board questioned the desirability of continuing a support program on a non-mandatory product such as soybeans when the outlook indicated that such support would be unnecessary and discontinued the establishment of a support price for soybeans. At the same time the Board gave assurance to producers of soybeans that should a situation arise which would warrant support, the necessary action would be considered.

Other Products - In addition to the mandatory products already dealt with the Board made payments to producers of fowl in 1957 and to producers of lamb in 1957, 1958, 1959 and 1960. The cost of these programs amounted to \$561,000 and \$1.7 million, respectively. Other non-mandatory products on which deficiency payments were made include apples, peaches, asparagus, sunflower seed, honey and sour cherries. Purchase programs were carried out for tomatoes and raspberries. The total cost of payments on these products was \$2.6 million.



Canadian Dairy Commission - The Canadian Dairy Commission Act, which was passed in 1966, established the Canadian Dairy Commission, the objectives of which are to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labor and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality. The Commission has power to:

- (a) purchase any dairy product and package, process, store, ship, insure, import, export, or sell or otherwise dispose of any dairy product purchased by it;
- (b) make payments for the benefit of producers of milk and cream for the purpose of stabilizing the price of those products on such basis as is deemed appropriate;
- (c) make investigations into any matter relating to the production, processing or marketing of any dairy product;
- (d) assist in the promotion of the use of dairy products.

The Act provides for the registration of producers of milk and cream and for the control of the imports of any dairy product.

Funds are made available to the Commission by the Agricultural Stabilization Board for carrying out a program for stabilizing the price of milk and cream, and loans up to \$100 million may be obtained from the Minister of Finance from the Consolidated Revenue Fund for the purpose of exercising any of its powers.

In the implementation of its functions, in March 1967, the Commission announced the support program for the year April 1, 1967 to March 31, 1968. It included features designed to improve producer returns, to rationalize milk production and to stabilize the price of dairy products

to consumers. The program consisted of the following measures: a subsidy payment of \$1.21 per 100 pounds of manufacturing milk, basis 3.5 per cent butterfat, and an equivalent payment on cream and offer-to-purchase programs for creamery butter, cheddar cheese and spray process dry skim milk. Eleven cents per 100 pounds were deducted from the subsidy payment to assist exports. No portion of surplus fluid milk was eligible for the subsidy in 1967-68.

The Commission established the offer-to-purchase price for creamery butter at 63 cents per pound and for cheddar cheese at 38 cents per pound. The price for spray process dry skim milk was established at 20 cents per pound with a limited quantity meeting more rigid quality specifications at 21 cents.

The Commission also established the principle of eligibility quotas for direct payment to manufacturing milk and cream shippers. The quota allotted to each producer designated the quantity of milk on which he would be eligible to receive a subsidy in the 1967-68 dairy support year. Each producer thus registered with the Canadian Dairy Commission was allotted a quota related to the volume of milk on which he received subsidy during the previous year, except those producers who delivered less than 50,000 pounds of milk, or the equivalent in cream in 1966-67. The latter group had an open quota up to 50,000 pounds of milk, or the equivalent in cream.

The total cost of the producer subsidies during 1967-68 amounted to \$99,181,578 of which \$10,153,489 was held back to finance exports. This assistance payment was used to finance export of dairy products as follows: dry skim milk, \$3,620,385; evaporated and condensed milk, \$144,554; dry whole milk, \$293,638; dry casein, \$1,345,488; cheese, \$1,019,573, making a total of \$6,423,638. This left \$3,729,851 to assist in completing the

exports of products which were purchased in 1967-68. Except for dry skim milk, there was no large surplus of Canadian dairy products during 1967-68.

During the 1968-69 support year, the payment to producers was increased to \$1.31 per 100 pounds of manufacturing milk and an equivalent payment on cream. The holdback for export aid was changed to 15 cents per 100 pounds for manufacturing milk producers and 1 cent per pound of butterfat for producers of farm separated cream.

The offer-to-purchase price for creamery butter was established at 63 cents per pound and for spray-process dry skim milk at 20 cents per pound. The Commission later raised the offer-to-purchase price of butter to 65 cents per pound effective September 30, 1968. The offer-to-purchase price for cheddar cheese was increased from 38 cents in 1967-68 to an effective level of 47 cents and 42 cents per pound, depending on the season of production.

In developing the quota policy further, the 1968-69 policy provided for an increase of individual subsidy quotas for producers whose deliveries in 1967-68 exceeded that year's quota. Producers with relatively small subsidy quotas of between 12,000 and 50,000 pounds of milk, or cream equivalent, were required to reapply for quotas. Those producers who failed to reapply and those whose deliveries had been below 12,000 pounds of milk (420 pounds of butterfat) in 1967-68 received an adjustment payment to assist them in leaving the industry. The payment was at the 1968-69 subsidy rate for the amount of the individual producer's 1967-68 deliveries of milk or cream.



SUPPLEMENTARY INCOME ASSISTANCE

Freight and Storage Subsidies

Livestock Feed Assistance - Under the authority of the Feed Grain Assistance Regulations of the Appropriations Act, a policy was inaugurated in 1941 to enable Eastern Canada and British Columbia livestock producers develop their livestock operations and the grain growers in the Prairie Provinces to enlarge their market for feed grains. This program subsidized transportation costs of feed grains, and in 1963 it was expanded to include the subsidization of storage costs.

The Livestock Feed Assistance Act, 1966, established the Canadian Livestock Feed Board, the objects of the Board being to ensure:

- (a) the availability of feed grain to meet the needs of livestock feeders;
- (b) the availability of adequate storage space in Eastern Canada for feed grain to meet the needs of livestock feeders;
- (c) reasonable stability in the price of feed grain in Eastern Canada and in British Columbia;
- (d) fair equalization of feed grain prices in Eastern Canada and in British Columbia.

The Livestock Feed Assistance Act placed the feed freight and storage subsidy program within the jurisdiction of the Canadian Livestock Feed Board and authorized the Board, pursuant to its objectives and in accordance with Regulations, to make payments related to the cost of storage and transportation of feed grains.

Since 1941, a subsidy equal to a substantial part of the transportation charges was paid on feed grains shipped from supply terminals to destinations in British Columbia and the provinces east of Manitoba.



Amendments during the 1960's provided for freight assistance on truck movements of grains and feeds in Eastern Canada (1964); a zone system of payment (1964); and a storage assistance program on winter supplies in Eastern Canada, including part of the storage charges on winter storage vessels in eastern ports (in effect from 1963 to 1966).

Under the program, "wholesalers" deducted the authorized rate of assistance from the prices of feeds sold to "retailers" for resale to livestock producers, and then claimed a refund of the amount of assistance from the federal government. Proof that the sale price to the consumer had been reduced accordingly was necessary.

Freight assistance was provided on wheat, oats, barley, rye, wheat millfeeds, and No. 1 and No. 2 feed screenings shipped to all destinations, and on corn shipped to British Columbia, to be used exclusively as livestock and poultry feed.

The Department of Agriculture administered the program from 1941 to 1963 and the Department of Forestry from 1963 to 1967. In April 1967, the Canadian Livestock Feed Board took over the administration of all matters pertaining to freight and storage assistance on feed grains.

Regulations of the Livestock Feed Assistance Act provide that the Canadian Livestock Feed Board:

1. may pay transportation assistance according to a prescribed schedule on
  - (a) wheat, oats, barley and rye grown in Western Canada and shipped to a destination in Eastern Canada;
  - (b) No. 1 Feed Screenings and Sample Feed Grain produced in Western Canada and shipped to a destination in Eastern Canada;

- (c) wheat, bran, wheat shorts and wheat middlings produced in Western Canada and shipped to a destination in Eastern Canada or produced in Eastern Canada from wheat grown in Western Canada;
  - (d) wheat, oats, barley, rye and grain corn grown in the Prairie Region and shipped to a destination in British Columbia;
  - (e) No. 1 Feed Screenings and Sample Feed Grain produced in the Prairie Region and shipped to a destination in British Columbia;
  - (f) wheat bran, wheat shorts and wheat middlings produced in the Prairie Region and shipped to a destination in British Columbia or produced in British Columbia from wheat grown in the Prairie Region;
  - (g) wheat grown in Ontario and shipped to a destination in Eastern Canada other than a destination in Ontario;
  - (h) grain corn grown in Ontario and shipped to a destination in Eastern Canada other than a destination in Ontario or Quebec.
2. may pay assistance in respect of storage expenses on wheat, oats and barley grown in Western Canada and stored in Eastern Canada except at Fort William or Port Arthur where grain is initially stored in a vessel approved by the Board as a place of storage necessary to supplement licensed elevator storage, in the amount of 2.5 cents per bushel for the total period that the grain is stored in Eastern Canada.

Since the inauguration of the program in 1941, a total of \$455.8 million has been paid to subsidize the shipment of Western feed grains to Eastern Canada and British Columbia (Table 64). Grains shipped under the program have been distributed by province as follows: Ontario 38.9 per cent,

TABLE 64.- FEDERAL GOVERNMENT EXPENDITURES ON FEED FREIGHT ASSISTANCE BY PROVINCE AND YEAR OF SHIPMENT, CROP YEARS 1941-42 TO 1966-67

Year	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland	British Columbia	Total
1941-42	2,973	2,806	478	617	126	-	704	7,704
1942-43	3,766	4,289	794	1,102	335	-	1,120	11,406
1943-44	7,513	6,065	1,022	1,387	434	-	1,719	18,140
1944-45	5,760	6,129	1,065	1,293	315	-	1,707	16,269
1945-46	6,716	6,544	1,203	1,391	444	-	1,895	18,193
1946-47	7,245	7,596	1,365	1,533	475	-	2,216	20,430
1947-48	6,938	6,959	1,200	1,401	429	-	1,963	18,890
1948-49	5,688	6,503	920	1,339	349	64	1,629	16,492
1949-50	5,263	7,145	877	1,326	382	257	1,361	16,611
1950-51	4,150	6,811	925	1,457	353	336	1,368	15,400
1951-52	5,039	8,107	1,099	1,634	384	313	1,751	18,327
1952-53	4,992	7,990	1,150	1,643	441	376	1,942	18,534
1953-54	4,588	7,419	981	1,623	213	358	2,433	17,615
1954-55	4,053	7,823	1,043	1,711	334	387	1,982	17,333
1955-56	4,461	7,652	1,101	1,753	414	398	1,268	17,047
1956-57	5,238	7,301	985	1,824	312	400	1,372	17,432
1957-58	5,336	8,195	1,044	1,862	328	386	1,525	18,676
1958-59	5,188	10,488	1,418	2,423	479	415	2,031	22,442
1959-60	4,997	9,056	1,288	2,273	481	498	1,959	20,552
1960-61	5,432	7,845	1,176	2,224	451	549	1,842	19,519
1961-62	2,936	7,223	1,074	1,790	316	522	1,731	15,592
1962-63	3,145	7,457	972	1,541	276	589	1,591	15,571
1963-64	4,527	8,935	1,128	1,948	406	787	1,714	19,445
1964-65	3,769	8,285	1,084	1,701	343	690	1,993	17,865
1965-66	3,905	9,193	1,188	2,093	578	730	2,068	19,755
1966-67	4,725	9,992	998	1,770	442	467	2,206	20,600
Totals	128,343	193,808	27,578	42,659	9,840	8,522	45,090	455,840

- thousand dollars -

Source: Annual Report of the Canadian Livestock Feed Board, Crop Year 1966-67.



Quebec 40.9 per cent, New Brunswick 3.9 per cent, Nova Scotia 5.5 per cent, Prince Edward Island 1.3 per cent, Newfoundland .05 per cent and British Columbia 9.0 per cent (Table 65). The total subsidy payment averaged \$6.87 per ton for the entire program and by provinces was as follows: Ontario \$4.96, Quebec \$7.14, New Brunswick \$10.73, Nova Scotia \$11.78, Prince Edward Island \$11.72, Newfoundland \$23.60 and British Columbia \$7.65.

The distribution of the tonnage by commodity is presented in Table 66. For the period 1941-42 to 1966-67 shipments of wheat accounted for 21.1 per cent, oats 26.8 per cent, barley 25.8 per cent, rye 0.2 per cent, corn 0.1 per cent, screenings 3.0 per cent, and millfeeds 23.0 per cent.

Storage expenses paid by the federal government on winter supplies in Eastern Canada totaled \$3.2 million from institution of this type of assistance in 1963 to March 31, 1967.

Temporary Wheat Reserves Act, 1956 - The objective of the Temporary Wheat Reserves Act was to relieve producers of part of the costs of storage of abnormally large accumulated carryovers of wheat. For purposes of this Act, the normal level of stocks of wheat was taken as the average of stocks in store on August 1 for the 15 years before the bumper crop of 1951, amounting to 178 million bushels. The Act authorizes the Government of Canada to pay to the Canadian Wheat Board, for the benefit of producers, an amount equal to the carrying charge rate paid by the Board at the end of the immediately preceding crop year multiplied by the number of bushels of wheat in storage on August 1, in excess of 178 million bushels. The Act provides that payments shall cease if at the beginning of any crop year stocks of wheat held by the Board are less than 178 million bushels.





TABLE 66.-- FREIGHT ASSISTED SHIPMENTS OF FEED GRAINS BY COMMODITY AND YEAR OF SHIPMENT, CROP YEARS 1941-42 TO 1966-67

Crop Year	Wheat	Oats	Barley	Rye	Corn	Screenings	Millfeeds	Total
				- tons -				
1941-42	406,200	276,153	253,531	16,946	6,723	58,504	433,519	1,451,576
1942-43	570,920	376,145	412,372	16,295	4,868	45,001	672,236	2,097,837
1943-44	874,223	882,769	911,483	6,555	4,175	45,608	709,591	3,434,404
1944-45	781,286	726,167	734,199	527	4,523	68,304	719,312	3,034,318
1945-46	810,501	888,623	853,402	68	5,159	60,351	781,945	3,400,049
1946-47	764,244	1,151,380	947,313	-	6,403	70,583	872,107	3,812,030
1947-48	666,167	1,002,701	901,644	-	5,825	47,198	748,889	3,372,424
1948-49	314,855	806,305	767,987	-	6,226	56,032	590,555	2,541,960
1949-50	292,205	885,094	529,951	1,186	6,755	96,450	588,242	2,399,883
1950-51	418,018	591,048	428,359	776	5,303	72,998	584,129	2,100,631
1951-52	519,658	700,521	563,855	20	4,591	69,932	548,958	2,407,535
1952-53	446,966	818,748	425,587	43	5,862	97,504	530,386	2,325,096
1953-54	405,870	718,638	476,816	4,673	7,550	79,175	472,575	2,165,297
1954-55	427,472	712,591	552,086	9,101	4,614	69,439	524,850	2,300,153
1955-56	570,108	781,553	570,180	10,078	3,094	99,046	542,584	2,576,643
1956-57	606,129	707,030	602,154	1,232	2,653	104,729	520,041	2,543,968
1957-58	613,094	637,341	629,949	1,000	2,657	93,011	553,543	2,530,595
1958-59	709,913	642,682	755,118	2,563	1,877	89,695	568,928	2,770,776
1959-60	607,379	570,176	775,383	212	1,807	75,332	571,946	2,602,235
1960-61	559,210	552,250	801,182	74	1,649	91,623	594,112	2,600,100
1961-62	379,014	367,712	563,565	3,539	1,264	64,605	547,934	1,927,633
1962-63	330,792	482,343	569,570	1,779	1,112	80,579	479,749	1,945,924
1963-64	444,583	602,232	798,279	1,016	813	109,654	562,894	2,519,465
1964-65	384,569	574,122	701,744	4,998	378	124,530	493,620	2,283,961
1965-66	517,046	626,476	703,879	20,239	589	95,418	524,844	2,488,491
1966-67	508,167	678,173	862,458	30,680	1,875	125,167	512,429	2,718,949
Totals	13,928,589	17,758,973	17,092,046	133,600	98,345	2,090,468	15,249,918	66,351,933

Source: Annual Report of the Canadian Livestock Feed Board, Crop Year 1966-67.

During the period 1955 to 1967, inclusive, carrying charges to be paid to the Canadian Wheat Board in accordance with the provisions of the Temporary Wheat Reserves Act totaled \$480 million (Table 67).

TABLE 67.- CANADIAN WHEAT BOARD WHEAT CARRYOVER AND CARRYING CHARGES UNDER THE TEMPORARY WHEAT RESERVES ACT

Year	Licensed Elevator Capacity (at July 31)	Number of bushels in storage (at August 1)	Number of bushels in storage in excess of 178 million (at August 1)	Rate of carrying charge - cents per bushel per day	Carrying charges to be paid during crop year (beginning August 1)
	- thousand bushels -			cents	thousand dollars
1955	586,237	394,695	216,695	.03970	31,486
1956	614,679	372,554	194,554	.04058	28,817
1957	628,302	407,679	229,679	.04241	35,554
1958	636,660	406,264	228,264	.04780	39,825
1959	641,946	416,895	238,895	.04987	43,604
1960	639,055	454,830	276,830	.04991	50,431
1961	649,309	440,348	262,348	.05010	47,974
1962	643,768	323,857	145,857	.05428	28,897
1963	660,466	415,603	237,603	.05167	44,934
1964	669,224	327,584	149,584	.05232	28,568
1965	675,680	395,521	217,521	.05155	40,926
1966	677,758	305,555	127,555	.05218	24,294
1967	682,187	357,570	179,570	.05322	34,980

Source: Annual Reports of the Canadian Wheat Board.

#### Insurance for Crop Losses

The Prairie Farm Assistance Act - The Prairie Farm Assistance Act, which came into operation for the crop year 1939-40, was designed to relieve the burden of distressed conditions in Western Canada resulting from a prolonged period of highly variable and often extremely low yields. The Act, which has been



amended a number of times since it was first introduced, provided for a levy of 1 per cent on all western grains (wheat, oats, barley, rye, flaxseed and rapeseed) sold in Canada and for payment of awards to farmers in the event of crop failure in designated areas.

The basis for payment is the average yield of wheat in a given block or township as follows:

- (a) yield of 0-3 bushels per acre - \$4 per acre
- (b) yield of 3-5 bushels per acre - \$3 per acre
- (c) yield of 5-8 bushels per acre - \$2 per acre
- (d) yield of 8-12 bushels per acre - 10 cents per acre for each cent, not exceeding 10, by which the average price is less than 80 cents per bushel.

The payment of an award shall apply to not more than half of the cultivated land of a farmer in any eligible area, up to a maximum of 200 acres.

The cultivated land of a farmer in any area to which an insurance scheme under the Crop Insurance Act, 1959, applies, is not subject to the 1 per cent levy and is not eligible for assistance under the P.F.A.A.

During the period 1939 to 1966 a total of \$361 million was paid out in 1,473,348 awards under the P.F.A.A. (Table 68). The total levy collected was \$186 million, which was \$175 million short of covering the awards paid out (Table 69). Manitoba was the only province for which the aggregate levy exceeded the payments.

During the 18-year period 1949 to 1966, payments exceeded the levy 7 years in Manitoba, 10 years in Saskatchewan and 12 years in Alberta (Table 70).



TABLE 68.- PAYMENTS MADE UNDER THE PRAIRIE FARM ASSISTANCE ACT FROM 1939 TO JULY 31, 1967

Program	Manitoba		Saskatchewan		Alberta		British Columbia		Total		Total Amount
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
		dollars		dollars		dollars		dollars		dollars	
1939-1941	14,337	1,557,039	142,783	25,188,929	37,378	5,400,008	Nil	Nil	194,498	32,145,976	
1942	No Payments		No Payments		No Payments		No Payments		No Payments		
1943-1950	11,358	1,450,877	294,030	75,647,264	136,433	27,853,305	1,384	218,352	443,205	105,169,798	
1951	1,828	207,393	11,073	2,247,920	11,949	2,171,140	275	29,889	25,125	4,656,342	
1952	1,169	185,692	3,969	810,804	4,001	532,102	468	42,286	9,607	1,570,883	
1953	5,030	619,863	5,740	1,143,178	5,548	1,007,525	Nil	Nil	16,318	2,770,566	
1954	30,127	5,259,646	90,100	21,688,528	33,968	5,781,922	596	83,631	154,791	33,013,727	
1955	16,795	2,305,548	9,063	1,290,677	8,292	1,304,682	918	147,567	35,068	5,048,475	
1956	4,219	637,310	3,750	627,083	5,273	964,456	90	7,479	13,332	2,236,328	
1957	7,768	1,720,315	33,408	9,917,414	20,064	5,806,718	1,269	374,340	62,509	17,818,788	
1958	6,134	1,184,970	48,110	15,026,425	28,796	7,002,686	654	135,330	83,694	23,349,412	
1959	9,560	1,926,838	45,670	14,424,376	19,253	5,395,541	1,206	284,802	75,689	22,031,558	
1960	3,356	666,508	14,332	4,559,348	20,430	5,696,956	539	106,302	38,657	11,029,116	
1961	26,864	7,420,856	89,652	36,970,775	30,075	9,678,947	Nil	Nil	146,591	54,070,579	
1962	3,585	815,169	22,502	6,879,086	27,618	7,787,453	117	22,214	53,822	15,503,922	
1963	13,667	3,120,830	2,839	982,999	20,829	5,409,360	863	166,338	38,198	9,679,528	
1964	2,033	354,734	28,173	8,008,736	18,258	4,290,211	398	70,844	48,862	12,724,525	
1965	2,325	503,879	5,019	1,263,276	14,158	3,327,896	163	23,774	21,665	5,118,864	
1966	1,553	336,444	3,553	1,135,108	6,590	1,640,421	21	4,464	11,717	3,116,437	
Totals	161,708	30,273,913	853,766	228,011,928	448,913	101,051,330	8,961	1,717,612	1,473,348	361,054,822	

Source: Report of Activities Under the Prairie Farm Assistance Act for the Crop Year 1966-67

TABLE 69. PRAIRIE FARM ASSISTANCE ACT: AMOUNT COLLECTED THROUGH 1 PER CENT LEVY FROM 1939 TO JULY 31, 1967

Crop Year	Manitoba	Saskatchewan	Alberta	Unallocated	Total Levy	Crop Insurance Levy Refunds
- dollars -						
1939-1949	6,352,555	21,742,641	11,560,062	3,001	39,658,299	
1949-1950	1,355,660	4,525,629	2,515,568	198	8,397,055	
1950-1951	1,442,138	3,890,445	2,001,323	154	7,334,059	
1951-1952	1,331,549	5,075,404	2,560,007	117	8,967,076	
1952-1953	1,423,916	6,375,832	3,074,384	179	10,874,312	
1953-1954	973,258	4,944,452	2,069,163	158	7,987,032	
1954-1955	748,694	3,169,787	1,614,486	152	5,533,120	
1955-1956	736,869	3,805,411	1,697,544	77	6,239,901	
1956-1957	864,574	3,608,339	1,732,861	88	6,205,863	
1957-1958	804,333	3,706,548	1,603,510	83	6,114,474	
1958-1959	1,009,012	3,803,746	1,861,243	Nil	6,674,000	
1959-1960	961,496	3,671,562	1,693,866	Nil	6,326,924	
1960-1961	930,501	4,246,939	1,763,654	Nil	6,941,094	
1961-1962	795,916	4,055,848	1,987,734	Nil	6,839,499	
1962-1963	1,213,941	5,279,829	2,120,654	Nil	8,614,424	
1963-1964	1,148,704	6,937,953	2,649,635	Nil	10,736,292	
1964-1965	1,325,312	6,329,940	2,798,841	Nil	10,454,093	
1965-1966	1,293,185	6,315,328	2,722,874	Nil	10,331,386	103,532
1966-1967	1,074,488	7,388,673	3,210,922	Nil	11,674,082	78,511
Totals	25,786,140	108,874,305	51,238,332	4,208	185,902,985	182,043

Source: Report of Activities Under the Prairie Farm Assistance Act for the Crop Year 1966-67.

TABLE 70.- NET PAYMENTS OF THE FEDERAL GOVERNMENT UNDER THE PRAIRIE FARM ASSISTANCE ACT, 1939 TO JULY 31, 1967

Year	Manitoba	Saskatchewan	Alberta	Total <sup>a/</sup>
- dollars -				
1939-43	- 715,978	+ 22,530,094	+ 3,905,536	+ 25,717,461
1944-48	-3,309,029	+ 35,580,799	+ 7,129,548	+ 39,404,674
1949	-1,022,571	+ 10,848,104	+ 3,828,228	+ 13,653,563
1950	-1,094,899	+ 1,718,481	+ 2,313,049	+ 3,150,663
1951	-1,124,156	- 2,827,484	- 388,866	- 4,310,734
1952	-1,238,224	- 5,565,028	- 2,542,283	- 9,303,429
1953	- 353,395	- 3,801,275	- 1,061,638	- 5,216,466
1954	+4,510,952	+ 18,718,742	+ 4,167,436	+ 27,480,607
1955	+1,568,679	- 2,514,734	- 392,862	- 1,191,426
1956	- 227,264	- 2,981,256	- 768,405	- 3,969,535
1957	+ 915,982	+ 6,210,866	+ 4,203,208	+ 11,704,314
1958	+ 175,959	+ 11,222,679	+ 5,141,443	+ 16,675,411
1959	+ 965,342	+ 10,752,814	+ 3,701,675	+ 15,704,634
1960	- 263,993	+ 312,410	+ 3,933,301	+ 4,088,022
1961	+6,624,940	+ 32,914,928	+ 7,691,213	+ 47,231,080
1962	- 398,772	+ 1,599,256	+ 5,666,799	+ 6,889,497
1963	+1,972,126	- 5,954,953	+ 2,759,725	- 1,056,764
1964	- 970,577	+ 1,678,796	+ 1,491,370	+ 2,270,432
1965	- 789,306	- 5,052,052	+ 605,022	- 5,212,522
1966	- 738,044	- 6,253,564	- 1,570,501	- 8,557,645
Total	-4,487,773	+119,137,623	+49,812,998	+175,151,837

- indicates the levies were greater than the payments.

<sup>a/</sup> Total figures take into account payments made to British Columbia and unallocated levies and therefore are different from the sum of the other 3 provinces.

Source: Annual Reports of the Prairie Farm Assistance Act.

Crop Insurance - Crops are subject to many natural hazards over which farmers have no control. Because of drought or excessive moisture, heat or cold, insects or disease, or some other misfortune, crops are often lost or yields severely reduced. The loss of crops, particularly during several years in succession, can mean serious financial difficulties for farmers.

The federal-provincial crop insurance program, provided under the Crop Insurance Act, is designed to protect farmers' investments in crops, and, by so doing, to give income stability to farmers, to the agriculture industry and the community. It enables farmers to make provision against emergencies by building up through premiums, and with some government assistance, a fund to meet these needs.

The Crop Insurance Act, as originally passed in 1959, provided that the federal government could enter into an agreement with any province to contribute 50 per cent of the administrative costs and 20 per cent of the premiums necessary to operate crop insurance plans. In addition, there was provision for federal loans to provinces in years when the indemnities greatly exceeded the reserves available for paying claims.

In 1964 an amendment to the Act provided that, as an alternative to loans, the federal government might re-insure part of the provincial risk involved in an approved crop insurance program.

In 1966 further amendments were made to the Act to allow greater flexibility in the crop insurance plans, particularly to meet the needs of farmers in different areas of the country who produce special crops and grains. The amendments included:

- (a) an increase in the limit of coverage from 60 per cent to 80 per cent of average yield;



- (b) an increase in the federal government's contribution to the individual farmer's premium from 20 per cent to 25 per cent;
- (c) an extension of coverage to fruit trees and perennial plants, and to summerfallow that had been prepared but could not be seeded because of wet weather;
- (d) calculation of a farmer's coverage on the basis of average yield of the crop experienced either on his own farm or on all farms in an area.

The Act provides that the cultivated land of a farmer in any area to which an insurance scheme applies is not subject to the one per cent levy and is not eligible for assistance under the Prairie Farm Assistance Act. It also specifies the provisions to be covered in agreements between the federal and provincial governments in establishing a federal-provincial crop insurance scheme.

In 1967-68 federal-provincial crop insurance programs were in operation in six provinces: Prince Edward Island, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. The development of crop insurance programs for farmers in Nova Scotia and Quebec was in progress. Federal reinsurance provisions were operative in the agreements between the federal government and Ontario, Manitoba, Saskatchewan and Alberta.

By 1967 a total of 33,411 farmers were taking advantage of the protection provided by federal-provincial crop insurance programs, the total insurance coverage amounting to \$91.3 million (Table 71). Total indemnities paid to farmers to cover crop losses from 1960 to 1967 amounted to \$8.6 million.

TABLE 71.- FEDERAL-PROVINCIAL CROP INSURANCE PROGRAMS - CANADA TOTALS

Years	Number farms insured	Value insurance purchased	Value indemnities paid	Total value premiums	Federal Government Contributions		Totals
					Administration	Premiums	
- thousand dollars -							
1960	2,472	4,072	87	307	84	61	145
1961	3,848	6,992	1,586	573	103	109	212
1962	5,818	12,052	603	1,002	161	187	348
1963	7,382	15,968	1,266	1,351	165	261	426
1964	8,625	17,813	430	1,526	187	294	481
1965	13,361	26,919	595	2,286	241	367	608
1966	24,923	51,758	1,264	4,928	463	870	1,333
1967	33,411	91,298	2,804	7,074	867	1,765	2,632

Source: Annual Reports of the Minister under the Crop Insurance Act, Canada Department of Agriculture.

The Canada Department of Agriculture, in administering the Crop Insurance Act, provides assistance to provinces in promoting and developing their crop insurance plans and carries out studies of the actuarial soundness of proposed schemes. In spite of this central co-ordination of policies directed toward the development of crop loss insurance for Canadian farmers, there is considerable variation in provincial crop insurance schemes, reflecting, in large part, the variation in climatic conditions and crop production between different regions.

Manitoba was the first province to establish a crop insurance program. It is administered by the Manitoba Crop Insurance Corporation which has extended its operations to cover the province. It is estimated that 45 per cent of the persons eligible for crop insurance were insured during 1967. Insurance coverage was available for wheat, oats, barley, flax and sugar beets. Premiums collected have exceeded indemnities paid in all years except 1961 and 1963 when indemnities amounted to 24 per cent and 10 per cent, respectively, of insurance coverage (Table 72).

At March 31, 1967, the Manitoba Crop Insurance Corporation had a reserve for payment of indemnities amounting to \$1.45 million.

The Report of the Manitoba Crop Insurance Corporation for 1966-67 lists some "features of the Manitoba Crop Insurance Program":

(a) Discount schedule for "continuous participation and good experience": This discount gradually reduces the premium to the low risk farmer who, for whatever reason, makes modest indemnity claims. This schedule recognizes that superior farming practices frequently reduce crop losses.

TABLE 72.- PROVINCIAL CROP INSURANCE PROGRAMS, BY PROVINCE, 1962-67

Province	Year	Number farms insured	Value insurance purchased	Value indemnities paid	Total value premiums	Federal Government Contributions	
						Administration	Premiums Total
					- thousand dollars -		
Prince Edward Island	1962	53	59	17	2	10.2	0.5
	1963	75	66	14	2	5.5	0.5
	1964	128	126	15	5	5.1	0.8
	1965	267	441	46	17	4.5	3.6
	1966	196	293	29	11	3.5	2.2
	1967	165	377	58	24	6.1	6.0
Ontario	1966	404	730		85	18.9	17.0
	1967	694	1,418	253	148	103.2	37.1
Manitoba	1960	2,472	4,072	87	307	84.3	61.4
	1961	3,654	6,687	1,586	547	103.0	109.4
	1962	4,428	9,674	524	827	88.5	141.2
	1963	5,072	12,220	1,242	996	118.8	197.0
	1964	6,141	13,600	277	1,177	138.3	219.5
	1965	8,610	18,700	380	1,609	175.7	290.5
	1966	12,915	25,909	796	2,400	238.6	416.7
	1967	14,116	33,268	229	2,800	334.5	696.5
							1,031.0
Saskatchewan	1961	194	305		26		
	1962	1,337	2,319	62	173	62.3	45.3
	1963	2,235	3,682	9	353	41.1	63.1
	1964	2,356	4,087	138	344	43.6	73.8
	1965	3,172	4,566	121	369	50.1	73.1
	1966	7,000	12,125	120	936	77.7	189.6
	1967	8,200	15,900	487	1,254	138.4	313.6
						107.6	
						104.2	
						117.4	
						123.2	
						267.3	
						452.0	
Alberta	1965	1,312	3,232	48	291	10.5	
	1966	4,408	13,456	309	1,496	102.2	239.3
	1967	9,892	38,021	1,268	2,607	231.9	651.7
							341.5
							883.6
British Columbia	1966					22.3	5.6
	1967	344	2,314	a/	241	52.6	60.3
							27.9
							112.9

a/ Not available.

Source: Annual Reports of the Minister under the Crop Insurance Act, Canada Department of Agriculture.



(b) Calculation of coverages and premiums:

1. Productivity Index: A scientifically established productivity index is used as the basis for calculating equitable coverages on soils of varying productive ability. Rates also are affected by the productivity index. They tend to be higher relative to coverages on soils with a lower productivity index than on soils with a higher index.
2. Crop Risk Areas: Manitoba has been divided into areas of similar risk on the basis of soils, climate, topography and history of crop production. The premium rate is based on two main factors -- productivity of the soil and the history of crop production in the risk area. If the coverages and premium rates were not calculated in this way crop insurance would involve income transfers. Crop insurance must be fair and equitable to all farmers.

(c) Types of insurance offered:

1. Combined Adjustment Plan: The total value of all crops insured is subtracted from the total coverage to calculate indemnity payments; if wheat is planted it must be insured, and any or all of the oats, barley and flax crops may also be insured.
2. Separate Adjustment Plan: In the event of damage or loss, each crop is adjusted separately and indemnities paid on individual crops. The premium rate for the separate crop adjustment is higher because of the greater probability of a loss claim.

(d) Flexible level of coverage:

The base period for long-term average yields is 25 years. Coverage levels have been calculated at 60, 70 and 80 per cent of the long-term average.

An insured can select prior to April 30, the level of coverage he feels meets his needs. This feature was sold in the 1966-67 year and will apply to the 1967-68 program.

(e) Quality guarantee:

Quality is guaranteed to the following levels: Wheat No. 3 Northern, Oats No. 1 Feed, Barley No. 1, Feed and Flax 2 CW. The quality guarantee in effect raises the coverage level if the grade of the grain produced falls below the levels indicated.

(f) Two stages of adjustment:

Stage I - One-half of the harvested coverage applies if a crop is destroyed and it is still early enough to plant to an earlier maturing crop.

Stage II - When too late to plant to another crop the full harvested coverage applies.

(g) Choice of 100 or 75 per cent of dollar coverage:

This enables a farmer to buy a lower dollar value of coverage at a proportionately reduced premium without changing the coverage level at which an indemnity will be paid. This revised stage procedure was sold in the 1966-67 year and will apply to the 1967-68 program.

(h) Landlord insurance:

Crop insurance is available to the landlord for his share of the crop, providing the tenant is insured.

(i) Comprehensive insurance on sugar beets:

Insurance on sugar beets covers the crop from seeding to harvest. This insurance program now provides individual coverage for each grower, based on his yield record. The sugar beet grower can elect to insure

his crop for a production guarantee equal to 60, 70 or 80 per cent of his 10-year average yield in tons per acre. Pre-harvest stage coverages, as a fixed percentage of the harvested production guarantee, are progressive and increase as the season advances and additional production costs are incurred. This feature was sold in the 1966-67 year and will apply to the 1967-68 program.

(j) Crops insured:

Wheat, oats, barley, flax and sugar beets.

(k) Designated perils:

Hail, drought, excessive moisture, flood, frost, wind, disease and pests.

(l) Safeguards on excessive risk caused by late seeding:

The final seeding date for accepting crop insurance on sugar beets is June 15, for wheat, oats and barley, June 20, and for flax, June 25.

The Manitoba Crop Insurance Corporation has a Research Division which is responsible for providing reliable data and rational answers to crop insurance problems, for the further development and improvement of the insurance program.

Saskatchewan was the second province to establish a crop insurance program. It operated on a test basis in 1961 with 194 farmers purchasing coverage. The federal-provincial agreement providing a crop insurance program became operative in 1962 and provided insurance coverage for wheat, oats and barley crops. By 1967 crop insurance was available to about 40 per cent of the farmers in Saskatchewan for acreages sown to wheat, oats and barley. Soil maps and productivity ratings are being prepared for areas of the province not covered by crop insurance.

A crop insurance plan for Prince Edward Island covering potato crops became operative in 1962. Coverage was extended to oats, barley, wheat and mixed grains in 1963. Participation in the crop insurance program has been small and the cumulative loss-ratio is high. In 1966-67 major revisions were made in the scheme which included higher coverage, extended risks, higher premiums and other related changes designed to provide a more useful crop insurance program adapted to the conditions of the area.

The Alberta Crop Insurance Corporation which was established in 1965 provided coverage of wheat, oats and barley crops. In 1967 insurance on these crops was available to about 50 per cent of the farmers in the province.

A federal-provincial crop insurance program was initiated on a province-wide basis for Ontario farmers in 1966-67, providing insurance coverage for the winter wheat crop to be harvested in 1967. The program was extended in 1967 to provide coverage for spring grains on a province-wide basis and for forage crops on an experimental basis in two test areas. The Province of Ontario provides a subsidy on crop insurance premiums of 5 per cent, which along with the 25 per cent premium subsidy provided by the Government of Canada, reduces the cost of premiums to farmers to 70 per cent of the established rates.

In 1966-67 the Canada Department of Agriculture and the British Columbia Department of Agriculture worked with fruit growers to develop and introduce a comprehensive all-risk crop insurance plan for fruit trees beginning with the 1967 crop. The plan insures seven tree fruits - apples, pears, peaches, plums, prunes, apricots and cherries - against crop loss and provides insurance against the cost of replacing trees lost through winter-kill and freeze injury.



The Province of Quebec passed crop insurance legislation in 1967 and appointed the Quebec Crop Insurance Board. The Board proceeded to develop a crop insurance plan for livestock farmers who produce forage and grain for feed on the farm and began to sell such insurance for the crops grown in 1968. This crop insurance scheme is not part of the federal-provincial crop insurance system.

### Emergency Programs Resulting From Adverse Weather

#### Federal Activities

Acreage Payments to Western Grain Producers - Because of the short crops of 1957 and 1958, acreage payments were introduced as a means of meeting Prairie grain producers' cash difficulties. The regulations stated that each quota permit book holder would receive \$1 per cultivated acre up to a maximum of \$200. The regulations were later amended to include all permit holders, individual or joint. This meant that each member of a co-operative farm was eligible for the \$200 maximum subject to the cultivated acreage covered by the permit book. An earlier amendment excluded payments to permit holders not resident in Canada.

Similar regulations were applied when acreage payments were allotted for the 1960 and 1961 crops. Expenditures, by year and province, and farmers receiving payments are shown in Table 73.

This policy is still in effect when conditions warrant it, but no action has been taken since February 1962.

Freight Assistance on Corn to Atlantic Provinces - Freight assistance of \$5.00 per ton was paid on corn for livestock and poultry feed transported to the Atlantic provinces by rail or boat and delivered to retailers during the period April 16, 1962 to September 30, 1962. A total of \$187,813 was paid in assistance.

TABLE 73.- ACREAGE PAYMENTS BY THE FEDERAL GOVERNMENT TO WESTERN GRAIN PRODUCERS, NUMBER AND AMOUNT, 1958, 1960, 1961

Year	Recipients	Total Payments	British Columbia	Alberta	Saskatchewan	Manitoba
	- number -			- thousand dollars -		
1958	234,160	40,588	262	13,175	19,960	7,191
1960	227,710	40,430	285	13,211	19,736	7,198
1961	221,200	39,974	299	13,160	19,396	7,119

#### Federal-Provincial Activities

Assistance in Respect of Unharvested Crops - In the autumn of 1959, as a measure of compensation to prairie farmers who were unable to harvest more than half of their field crops due to early and abnormally heavy snow, the federal government shared equally (up to a specified maximum of \$300 per farmer) with each of the three Prairie Provinces, the cost of emergency assistance to farmers and of specified administrative outlay. Each eligible farmer could claim a total payment of up to \$3 an acre on a maximum of 200 acres for unthreshed crops of wheat, oats, barley, rye, and flaxseed, for a total of \$600. For specialized crops such as sugar beets, potatoes, vegetables and sunflower, the maximum payment was also \$600 per farmer. The \$3 per acre assistance figure had been arrived at by relating the Department of Agriculture's estimate of a minimum loss of 20 per cent, to an average wheat yield of 17 bushels per acre or 3.4 bushels per acre lost. Because it was expected that wheat not harvested until the spring of 1960 would be below first quality, the monetary loss was set at \$1 per bushel lost or about \$3 per acre.

In carrying out this program, the three Prairie Provinces adopted different graduated payment schemes based on yield. All required that a farmer apply for assistance and have more than half his seeded acres unharvested. In Manitoba, payments were made only where Prairie Farm Assistance Act payments were not received. In Saskatchewan, a farmer with most of his crop unharvested was eligible for this assistance in addition to any award payable under the Prairie Farm Assistance Act. In Alberta, farmers who were eligible for assistance under the P.F.A.A. could also qualify for full payments under this program.

In the fall of 1962, the federal government shared equally with the Nova Scotia and Prince Edward Island governments, the cost of a program to assist farmers whose grain crops were lost through poor harvesting weather. Farmers received \$16 per acre unharvested, to a maximum of \$600 to any one producer. No payments were made to farmers with less than five acres seeded. The federal government expenditures for these programs, which were matched by each of the provinces concerned, are shown in Table 74.

TABLE 74.- FEDERAL GOVERNMENT ASSISTANCE IN RESPECT OF UNHARVESTED CROPS, 1959-60, 1960-61, 1963-64

Province	1959-60	1960-61	1963-64
- dollars -			
Manitoba	235,109	188,847	
Saskatchewan	2,910,657	217,886	
Alberta	1,598,742	1,031,211	
Prince Edward Island			54,380
Nova Scotia			67,588
Total	4,744,508	1,437,944	121,968

Note: The federal government expenditures were matched by each of the provinces concerned.

Source: Public Accounts, Canada Department of Agriculture.

Forage Bank - In 1961-62, under a forage bank program, farmers, who made forage out of green grain crops not worth harvesting as grain, were eligible to receive up to \$5 per ton on any part of such crops, cut, baled and offered for sale at not more than \$20 a ton. The cost of this form of assistance was shared equally by the federal government and the provincial government concerned. The provinces of Manitoba, Saskatchewan and Alberta participated in the program. In addition to this aid, farmers were still entitled to any P.F.A.A. awards made in their township, as for purposes of this Act the land was considered to have a nil yield. Federal payments for the forage bank program which totaled \$186,479 were \$19,150 for Manitoba, \$162,917 for Saskatchewan and \$4,412 for Alberta.

Seed Oats Transportation Assistance - Payments were made to the provinces of Saskatchewan and Alberta by the federal government, amounting to one-half of the amount paid by them towards transportation costs on shipments of seed oats between February 1, 1962 and May 31, 1962. The federal expenditure for this program during 1962-63 totaled \$16,620, of which \$2,649 matched the expenditure of the government of Alberta and \$13,971 equalled that of the government of Saskatchewan.

Compensation for Crop Losses due to Adverse Weather - It has been the policy of the federal government to consider emergency requests from provincial governments to provide financial assistance on an ad hoc basis to compensate individuals for severe losses sustained as a result of "acts of God" such as adverse weather.

During the period 1965-67 federal payments made on a half share basis in connection with crop losses suffered as a result of adverse weather in 1964 and 1965 totaled \$4,763,339. Of this amount, Prince Edward Island



received \$74,192 and Quebec \$2,254,117. Payment to British Columbia was \$2,436,030 to compensate tree fruit and grape producers for the loss of product and vines and trees as a result of freezing in 1964-65.

Livestock Emergency Feeding Programs - The objectives of these assistance programs have been to prevent heavy liquidation of livestock herds, financial loss to owner, and general depression of livestock prices. Farmers in areas affected by drought have received financial assistance in obtaining feed supplies for their livestock (Table 75).

Between August 1, 1957 and May 15, 1958, the federal government and the province of Nova Scotia shared the costs of a program for hay shipped into drought areas of that province. The first \$4 per ton freight charges had to be paid by the farmer. On freight charges over and above that amount, the railways reduced the regular rate by one-third and the federal and provincial governments each paid one-third. The federal government set a maximum of \$50,000 on its expenditure.

In July 1958, the federal government agreed to reimburse the provinces of Manitoba and Saskatchewan one-half the transportation costs paid by these provinces for fodder, haying equipment and movement of livestock. The railways agreed to reduce by one-third the existing freight rates on hay and straw moved to drought areas in the Prairie Provinces from August 1958 to March 31, 1959.

Between October 12, 1959 and April 30, 1960, the federal government shared equally with the provinces of Manitoba and Saskatchewan the reduced freight rates and the trucking rates on fodder and straw moved more than 25 miles to fodder deficit areas, and on cattle moved to feed. Farmers in an 8,700 square mile area of Alberta along the Saskatchewan boundary were eligible for assistance of up to \$12 per ton on freight cost and \$10 per

TABLE 75.- FEDERAL GOVERNMENT EXPENDITURES ON FEDERAL-PROVINCIAL LIVESTOCK EMERGENCY FEEDING PROGRAMS, 1957-58  
TO 1966-67

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Total
1957-58								8,715	8,715
1958-59			147,534	36,089				13,039	196,662
1959-60		4,826	72,939	27,566					105,331
1960-61		2,478	93,830	162,309					258,617
1961-62		85,043	690,149	316,412					1,091,604
1962-63		62,262	599,038	46,299					707,599
1963-64		8,287	26,187					6,483	40,957
1964-65	3,102		56,196	19,311	254,152	170,341			503,102
1965-66			4,272	18,346	2,822,829	2,859,811	109,044		5,814,302
1966-67					2,300,371	5,836,631	228,973		8,365,975
Totals	3,102	162,896	1,690,145	626,332	5,377,352	8,866,783	338,017	28,237	17,092,864

- dollars -

- 259 -

Note: The federal government expenditures were matched by each of the provinces concerned.

Source: Public Accounts, Canada Department of Agriculture.

ton toward the trucking cost, on moving hay and straw into the area during the same period. Amendments extended the assistance to all forms of livestock bedding and extended the program period to April 30, 1960.

The federal government agreed to pay the provinces of Manitoba, Saskatchewan and Alberta one-half the amounts paid by those provinces for transportation costs on shipments of fodder, for the movement of cattle to feed and for the transportation of haying equipment from June 26, 1961 to March 31, 1962. The Canadian Wheat Board agreed to hold grain stocks in country elevators for local sale where municipal authorities requested such stocks and paid the storage charges. Cattlemen in drought stricken areas of Manitoba and Saskatchewan were offered facilities at the Prairie Farm Rehabilitation Administration's community pastures in these provinces for maintenance feeding of cattle during the summer of 1961. Rates were 10 cents per head per day plus 3 cents per calf per day for cows with calves.

The federal government shared with the Nova Scotia government and the railways the cost of transporting hay in excess of \$4 per ton, for Nova Scotia farmers who had insufficient supplies during the period of January 31, 1963 to May 31, 1963.

Payments were made by the federal government to the governments of the Prairie Provinces of half the amounts paid by these provinces toward transportation costs on shipments of fodder between April 1, 1962 and April 30, 1962.

The federal government shared on a 50-50 basis with the provinces of Saskatchewan and Alberta the cost of moving fodder to drought stricken areas.

The federal government shared on a 50-50 basis the transportation costs paid by the governments of Ontario, Quebec, Manitoba and Saskatchewan, for the movement of fodder into drought stricken areas during 1964-65.

The federal government entered into separate agreements with the governments of Ontario and Quebec to subsidize fodder and feed grain purchases on a 50-50 basis during the period May 16, 1965 to May 31, 1966. The subsidy rates were \$30 per ton of concentrate and \$15 per ton of hay. Farmers were entitled to subsidized feed based on the difference between the 1965 productivity level and the normal productivity level in their respective areas. The total entitlement depended upon the number of forage eating animals normally over-wintered by the farmer.

The federal government and the Quebec government assisted in paying for the emergency movement of hay during the period January 9, 1967 to March 31, 1967.

#### Compensation for Livestock Losses

##### Federal Activities

The Animal Contagious Diseases Act empowers the federal Minister of Agriculture to authorize the slaughtering of animals suffering from infectious or contagious diseases, or those suspected of being so infected and those which are or have been in contact or close proximity to such animals. Provision is made for compensation for the animals so destroyed in an amount set by the Act. When the sale of the carcass is unlawful, additional compensation may be paid in respect of carcasses of cattle slaughtered. Bovine tuberculosis and brucellosis are two diseases for which all parts of Canada have undergone



programs of testing and slaughter of infected animals. All animals ordered destroyed under these programs are compensated for up to a maximum of \$140 for purebreds and \$70 for grade cattle. In addition the owner receives the carcass value of the animal.

Compensation is also paid to owners of animals affected with diseases coming under the Act, that have died or been slaughtered in circumstances not covered by the Act; authorization being given at the time under an order-in-council. The maximum compensation for animals dying from anthrax was set at \$300 for cattle, \$250 for horses, and \$100 for sheep, swine and goats, effective July 27, 1966. Previously it had been \$250 for cattle, \$100 for horses, and \$40 for sheep, swine and goats.

Other diseases for which compensation has been paid during the past decade, but not every year, include scrapie, Johne's Disease and hog cholera. Compensation has also been paid for hatching eggs ordered destroyed because of disease organisms carried.

#### Federal-Provincial Activities

In 1959 the federal government and the Ontario government agreed to a federal-provincial-municipal sharing of the costs of compensating farmers for losses suffered due to rabies in domestic animals. When first instituted the costs were shared at the rate of 40 per cent by the federal government, 40 per cent by the province, and 20 per cent by the county. The program was revised by the Ontario government in 1961 relieving the counties of their responsibility, the province assuming 60 per cent of the cost. Until July 14, 1966, maximum indemnification benefits were \$250 for cattle, \$100 for horses and \$40 for swine, sheep and goats. The program was revised effective July 14, 1966 to provide the following limits: \$300

for cattle, \$250 for horses, and \$100 for swine, sheep and goats. Compensation is awarded in cases where the federal Health of Animals Branch veterinarian attests in the form of a certificate that an animal has died of rabies. The valuation work is also done by the veterinarian. A similar sharing by the federal government of the cost of indemnity for livestock dying from rabies, was agreed to with Quebec in 1963, Saskatchewan in 1966 and New Brunswick in 1967.

#### Provincial Government Activities

As well as sharing in programs of compensation with the federal government, the provincial governments from time to time pay compensation for livestock losses. In 1966-67, cattle on some farms in British Columbia were found to have pesticide residues in an amount that rendered them unsaleable for human consumption. The provincial government compensated the owners by purchasing cattle to the extent of \$22,333. Since 1963, the province of Ontario will pay compensation when farm machinery is damaged or livestock killed or injured by careless hunters. Compensation has been paid annually as follows: 1963-64, \$13,251; 1964-65, \$13,900; 1965-66, \$14,677; and 1966-67, \$14,515.

#### Compensation for Crop Losses

#### Federal Government Activities

Compensation to cover loss of income when crops have been lost because of disease, insects and pests has been paid under statutory regulations and under approval of the Governor in Council.

Following an outbreak of golden nematode on Vancouver Island in 1965, crops in the area were ordered destroyed under authority of the

Destructive Insects and Pest Act and compensation was paid. Compensation for crops destroyed totaled \$180,227 in 1965-66 and \$229,996 in 1966-67. Compensation totaling \$139,553 was approved by the Governor in Council and paid for losses incurred in the marketing of nursery stock and potatoes, as a result of the action taken under the Destructive Insects and Pest Act. In 1966-67, additional compensation was paid to owners of crops destroyed in 1965-66 and 1966-67, on the basis of 50 per cent of the amounts payable under the Destructive Insects and Pest Act. This extra compensation cost the federal government \$203,987.

In 1963-64, a number of nursery stock owners in British Columbia were ordered to destroy hydrangeas under the authority of the Destructive Insect and Pests Act. A total of \$13,988 was paid in compensation.

In 1966-67, the Governor in Council approved compensation payments of \$45,400 to farmers in British Columbia who suffered losses as a result of pesticide residues in their crops making them unfit for use.

In 1961-62, the federal government contributed to Prince Edward Island, one-half of the amount paid by that province to potato growers in respect of their 1960 crop, as compensation for losses due to fusarium rot. The maximum contribution by the federal government to any one farm was set at \$300. Total expenditure by the federal government was \$194,968.

#### Provincial Government Activities

From time to time provincial governments have compensated farmers for crops lost from causes beyond their control. For example, in 1965 and 1966, feed on some farms in British Columbia contained excessive amounts of pesticide residues. The provincial government assisted the farmers replace the contaminated feed at a cost to the government of \$2,269 in 1965-66 and \$1,434 in 1966-67.

Drought in Prince Edward Island in 1960 was accompanied by a severe infestation of fusarium rot in the potato crop. Most growers, as well as co-operatives and commercial interests suffered substantial losses from potato spoilage. The provincial government compensated growers, who harvested potatoes from more than one acre, for losses exceeding 15 per cent of their crop, to a maximum of \$600 a grower. Compensation was computed by multiplying an average value per acre of \$156 by the percentage loss less 15 per cent. The \$156 represented 60 per cent of the 1950-59 average value of potatoes per acre. The provincial government received reimbursement of a part of its expenditures from the federal government.

Other Supplementary Income Assistance  
by Provincial Governments

Assistance programs providing income supplementary payments have not been used widely by provincial governments. Quebec and the Maritimes have made most use of them, here some have been in effect for close to 30 years and others have been instituted in recent years. Where used, subsidy programs of this type often have a number of objectives, for example, to increase production and to assist in marketing in outlying regions, and to encourage improvement in quality of product. However, the underlying objective seems to be to get more income for the producer. A description of some supplementary income assistance programs follows:

British Columbia

The provincial government pays freight assistance to a maximum of \$6.40 a ton, on feed grain shipped from the Creston-Wynndel area to other points in British Columbia. The subsidy payment totaled \$17,209 in 1964-65, \$10,894 in 1965-66 and \$12,534 in 1966-67.



## Ontario

Milk and Cream Subsidy - This subsidy was paid on all secondary and industrial milk and farm separated cream produced in the province between October 1, 1966 and March 31, 1967. Payment was made to the producer through the processing plants. The total cost of this program to the government was \$4,197,320 of which \$4,183,602 were paid in subsidy and \$13,718 were the costs of administration. A total of 43,984 producers received payment.

## Quebec

Manufacturing Milk Subsidy - The objective of this program which was introduced in 1964, is to increase the income of producers of milk for manufacturing. Farmers who deliver milk exclusively for manufacturing purposes are eligible for a subsidy of 5 cents a pound of butterfat, to a maximum of 5,300 pounds of butterfat per farmer. Expenditure on the subsidy totaled \$3.5 million in 1964-65, \$8.5 million in 1965-66, and \$9.4 million in 1966-67.

Livestock Transportation Subsidy - The provincial government assists with the payment of costs of hauling livestock to slaughter houses from remote areas. The province is divided into four zones as follows: Zone 1 being the counties of Charlevoix, Compton, Gatineau, Kamouraska, Labelle, L'Islet, Papineau, Pontiac and Stanstead; Zone 2 being Rivière-du-Loup, and Témiscouata; Zone 3 being Abitibi-Est, Abitibi-Ouest, Bonaventure, Duplessis, Gaspé-Nord, Gaspé-Sud, Iles-de-la-Madeleine, Rouyn-Noranda, Saguenay, and Témiscamingue; and Zone 4 being Matane, Matapédia, and Rimouski.

The subsidies per animal are as follows:

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
Cattle	\$3.00	\$5.00	\$8.00	\$6.00
Calves	.50	1.00	2.50	1.50
Sheep and lambs	.50	.75	1.50	1.00
Hogs	.50	1.00	2.50	1.50

In 1964-65 the subsidy paid totaled \$315,786, in 1965-66 \$408,590 and in 1966-67 \$373,664.

Cream Transportation Subsidy - This program was instituted in 1937, to assist in paying the costs of transporting cream in colonization areas, where transportation costs are higher than normal. The rate of subsidy varies with the amount of cream shipped, ranging from 5 per cent of the total cost on shipments of more than 60,000 pounds to 70 per cent on shipments of up to 5,000 pounds. In 1964-65 the total amount paid in subsidy was \$41,098, in 1965-66 \$25,013, and in 1966-67 \$92,085.

#### New Brunswick

Cream Transportation Subsidy - Provided there is no duplication of route, the provincial government assists in meeting the cost of transporting cream to butter manufacturing plants. Assistance of this type has been given since 1930. A grant of 1.5 cents a pound of butterfat (increased from .75 cents in 1967) is paid direct to the creamery for milk picked up outside of a 12 mile radius from the plant. Expenditures during the past three years were as follows: 1965, \$18,003; 1966, \$17,314; 1967, \$28,785.

Transportation Assistance on New Brunswick Feed Wheat and Barley - A subsidy of 30 cents a 100 pounds or total freight, whichever is the lesser, is paid on carlot movements of New Brunswick grown feed wheat and barley within the Province. The program, which was instituted in 1958 has been used largely

in the movement of grain from Carleton County to Kings County. There was no subsidy paid in 1965 and 1966, but a total of \$515 was paid in 1967.

Industrial Potato Starch Subsidy - In 1961, at the request of starch factories in the province, the provincial government entered into an agreement whereby the factories would contract with growers for potatoes solely for the manufacture of starch, and the province would subsidize growers at a rate according to the specific gravity of the potatoes delivered to starch factories. In operation, the starch factory paid the subsidy to the producers, and the factory was reimbursed by the provincial government. Data related to the operations of this program between 1961-62 and 1965-66 are given in Table 76.

TABLE 76.- PAYMENTS UNDER THE POTATO STARCH PROGRAM BY THE GOVERNMENT OF NEW BRUNSWICK, 1961-62 TO 1965-66

	Number of Growers	Number of Acres	Number of Barrels Delivered	Payment to Growers
				- dollars -
1961-62	99	700	98,782	38,703
1962-63	112	707	98,864	39,073
1963-64	102	706	92,082	35,390
1964-65	61	487	60,974	22,560
1965-66	18	138	19,156	6,768
Totals			369,858	142,494

Source: Annual Report of the Department of Agriculture of the Province of New Brunswick for 1965-66.

As a result of extra large supplies of potatoes in storage in 1966-67, the Agricultural Stabilization Board of the federal government

implemented a price stabilization program for potatoes, and the provincial program did not operate.

### Nova Scotia

Transportation Assistance on Cream - This policy was instituted in 1930, with the object of assisting the movement of cream from remote and sparsely settled areas. The Department of Agriculture and Marketing is responsible for designating the areas eligible for assistance. Currently, it only applies in the Inverness area. The assistance is paid to the creamery, at the rate of 5 cents per pound of butterfat for all cream picked up in the designated area. Government expenditure totaled \$2,968 in 1967 and \$3,451 in 1968.

Market Hog Transportation Assistance - Stated objectives of this policy are: (a) to equalize the costs of transportation of live hogs, (b) to encourage food processing and (3) to encourage hog production. The rate of assistance depends on the distance from market, with zones being established by the Department of Agriculture and Marketing. The maximum assistance is set at \$1.50 a hog delivered to the abbatoir. The total funds allotted to the program in 1968 was \$56,000. Transportation assistance paid in 1966 totaled \$14,680 and in 1967, \$39,945. The Nova Scotia Hog Marketing Board pays the assistance directly to the farmer and in turn collects from the provincial government.

Manufactured Milk Price Subsidy - Instituted in October 1966, this policy was terminated at March 31, 1967, with the advent of the Canadian Dairy Commission. The objective of the program was to improve the income of dairy farmers. A subsidy was paid on all types of milk and cream other than that used for fluid purposes. The rate of subsidy was 25 cents per 100 pounds for 3.5 per cent milk and 10 cents per pound of butterfat for cream. In application, the subsidy was paid to the farmer by the processor, who was reimbursed by the provincial government. The total amount paid out under the policy was \$122,532.



RESEARCH, EDUCATION AND EXTENSION

RESEARCH

Agricultural research in Canada is undertaken by both the federal government and the provincial governments, and both sponsor research at the universities. Involvement of the federal government in scientific activity related to agriculture began with the establishment of the experimental farm system in 1886. The expressed objective was "to carry on experiments and investigational work in connection with stock breeding, dairying, field husbandry, horticulture and entomology, to discover methods, breeds and varieties best suited to the different parts of Canada". Federal government research related to agriculture is undertaken by the National Research Council, the Agricultural and Rural Development Administration, and at more than 60 centres across Canada by the Department of Agriculture. The federal government's contribution to the total agricultural research effort was estimated at 68 per cent for 1966, the universities' was 23.5 per cent and the provincial governments' was 8.5 per cent (Table 77). The distribution of the research effort by province and field is shown in Table 78.

Generally, provincial government agricultural research activity is closely associated with the agricultural extension program. Experimental farms and research stations, and animal disease control laboratories are operated by some provincial governments. Research activities of the two levels of government complement each other and help make the results of research applicable to varying conditions. There is an understanding between the various research agencies and workers which results in co-ordination of effort in research.

TABLE 77.- DISTRIBUTION OF AGRICULTURAL RESEARCH EFFORT BY TYPE OF ESTABLISHMENT AND FIELD, AS OF OCTOBER 1, 1966

Field of Research	Type of Establishment			Total
	Federal	Provincial	University	
- number of man-years -				
Soils	123.3	28.8	30.3	182.4
Crops	404.6	39.4	61.7	505.7
Animals	113.3	6.2	102.6	222.1
General Biology	136.6	3.0	26.6	166.2
Engineering	8.2	1.9	15.7	25.8
Economics	29.7	22.6	45.1	97.4
Total	815.7	101.9	282.0	1,199.6

Source: 1966 Inventory of Agricultural Research Projects, Prepared for the Canadian Agricultural Services Coordinating Committee, by the Research Branch, Canada Department of Agriculture, 1967.

An area of co-operation in research is the soil survey work which has been underway for many years with the federal and provincial governments and universities jointly surveying and classifying our soil resources. This information forms the basis for soil management and land use programs.

#### Federal Activities

#### Department of Agriculture

Research activities of the Department are undertaken by the Research Branch, Health of Animals Branch, Economics Branch, and the Grain Research Laboratory operated by the Board of Grain Commissioners. Close liaison exists between the Canada Department of Agriculture and other research agencies, to avoid duplication and to ensure that the services offered by the federal government are of the kind needed by farmers. Federal research establishments across the country are represented on provincial agricultural

TABLE 78.- DISTRIBUTION OF AGRICULTURAL RESEARCH EFFORT, BY PROVINCE AND FIELD, AS OF OCTOBER 1, 1966

Field of Research	- number of man-years -								Total
	Federal National	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	Maritimes	
Soils	37.4	16.3	33.7	32.9	9.7	14.3	19.4	18.7	182.4
Crops	60.4	56.2	49.5	46.2	62.7	123.2	45.7	61.8	505.7
Animals	61.3	14.0	39.6	18.1	9.5	58.9	14.7	6.0	222.1
General Biology	109.7	2.4	10.4	7.8	3.3	14.7	13.5	4.4	166.2
Engineering	3.2	2.7	2.5	6.1	1.1	8.0	1.7	0.5	25.8
Economics	22.5	2.9	19.7	16.8	11.8	17.6	4.8	1.3	97.4
Total	294.5	94.5	155.4	127.9	98.1	236.7	99.8	92.7	1,199.6

Source: 1966 Inventory of Agricultural Research Projects, Prepared for the Canadian Agricultural Services Coordinating Committee, by the Research Branch, Canada Department of Agriculture, 1967.

committees. At several locations federal research establishments are on university lands allowing for co-operation, a mutual exchange of ideas, and a contribution by the federal scientists to the university as honorary lecturers.

#### Research Branch

The Research Branch of the Department of Agriculture is Canada's largest research organization. Its primary purpose "is to apply the principles and methods of scientific investigation to the problems of agriculture to the end that farmers become more efficient and prosperous, and may produce and market better quality food products for the nourishment of people. In pursuit of this objective, efforts are made to raise, by amendment and management, the productivity of the soil; to improve the yield and quality of crops; to better the quality and productivity of livestock; and to protect crops and livestock from the ravages of pests and diseases".<sup>1/</sup>

The Research Branch operates 26 Research Stations, 14 Experimental Farms, 8 Research Institutes and 3 Research Services. In addition, substations and project farms are established as required to deal with localized problems. Executive headquarters of the Branch are located at the Central Experimental Farm in Ottawa. Also located there are the statistical, engineering and analytical chemistry research services, together with six of the eight institutes for research on animals, entomology, food, plants, soils, microbiology, biological control and pesticides.

Research stations and experimental farms are problem oriented and are located in geographical areas where the climate, soil or other conditions

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<sup>1/</sup> Organization and Activities of the Canada Department of Agriculture,  
Pub. 1123, 1967.



favor the study of particular agricultural problems. However, basic research and research applicable to other areas may be a part of the activities. The work of the Research Institutes is organized according to scientific discipline. Research programs are determined by agricultural problems that are more or less of national interest and concern. The Research Services are designed to improve existing methods of research analysis and to provide advice and co-operation for other scientists in the Branch when there are technical and analytical problems to be solved.

Net expenditures of the Research Branch in 1966-67 totaled \$35.4 million, of which \$31.2 million were for administration and operation and \$4.2 million for new equipment, works, land and buildings (Table 79).

Research Institutes and Services - A brief description of the activities of the research institutes and services follows. The research services and all but two of the institutes are located at Ottawa.

The Animal Research Institute carries on a broad research program to improve the quality of animals and poultry produced in Canada and of their products. The work of the Institute is divided between three main sections - biochemistry, nutrition and genetics. The Institute has 4,400 acres of land where cattle, sheep, swine and poultry are kept for experimental purposes. Here extensive biological studies are carried out to determine the relationship between the complex factors that determine animal yield and performance and the utilization of foodstuffs.

Microorganisms important to agriculture are the subject of the research carried out by the Cell Biology Research Institute. Special attention is given to soil bacteria, and bacteria, fungi and viruses that induce plant tumors.

TABLE 79.- RESEARCH BRANCH, CANADA DEPARTMENT OF AGRICULTURE, SUMMARY OF EXPENDITURES, 1964-65, 1965-66, 1966-67

	1964-65	1965-66	1966-67
- dollars -			
Research institutes and services:			
Analytical chemistry service	203,750	226,538	265,528
Animal research institute	1,128,171	1,216,605	1,697,233
Engineering research service	209,936	229,545	259,332
Entomology research institute	754,866	829,294	1,006,833
Food research institute	359,676	410,360	493,279
Microbiology research institute	188,484	225,627	289,847
Plant research institute	1,144,442	1,199,341	1,382,426
Research institute, Belleville	-	611,792	690,560
Research institute, London	-	541,127	651,988
Soil research institute	600,737	671,573	796,110
Statistical research service	104,749	128,725	146,931
Pesticides research institute	488,447	-	-
Entomology research institute, biological control	571,052		
Sub-total	6,637,315	6,550,049	7,680,067
Research establishments - eastern	6,299,730	7,787,063	8,703,883
Research establishments - western	9,936,374	10,725,788	11,997,405
Sub-total	22,873,419	25,062,900	28,381,355
Construction or acquisition of buildings, works, land and equipment:			
Total construction or acquisition of buildings, works and land	2,353,172	3,471,205	2,750,129
Construction or acquisition of equipment	1,501,957	1,509,543	1,499,533
Sub-total	3,855,129	4,980,748	4,249,662
Branch administration	2,109,511	2,552,070	2,818,255
Total	28,838,059	32,595,718	35,449,272

Note: These are gross expenditures. Revenue in 1964-65 totaled \$1,458,052; in 1965-66, \$1,205,915; in 1966-67, \$1,203,973.

Source: Public Accounts, Canada Department of Agriculture.

The Entomology Research Institute is concerned with research related to the control of insects that are harmful to crops and animals. Scientists are investigating insect behavior, physiology, ecology, genetics and nutrition, and plant nematodes. The Institute maintains the Canadian National Collection of Insects which, with 7 million specimens, is one of the world's largest collections.

The Food Research Institute is responsible for isolating the factors responsible for food quality. Intensive research is carried out on proteins, carbohydrates, fats and oils in foods. Studies are made of storage and processing methods, and causes of differences in flavor and quality.

The Plant Research Institute is the main centre for taxonomic study of higher plants and fungi. The environmental physiology section is the Research Branch's centre for the development of controlled environmental chambers, the agrometeorology section coordinates climatological research throughout the country, and the ornamental horticulture section carries out a program of research on house and garden plants.

The Soil Research Institute studies soils from every aspect, including physical, chemistry, physics, microbiology, fertility, and organic matter and clay mineral content. The Institute plays an important part in the National Soil Survey and in the classification, description and mapping of the nation's soil resources. The National Soil Survey which is a joint undertaking of the federal Department of Agriculture, the provincial departments of agriculture and the universities, has covered almost 250 million acres.

The objective of the research program of the Research Institute, Belleville, Ontario, is to reduce damage caused by insects, mites, spiders and nematodes by developing improved ways to control their numbers. Staff of the Institute also act as consultants to pest control workers throughout Canada.



The research program of the Research Institute at London, Ontario, is concentrated on fungicides, herbicides and insecticides and certain biologically active substances that occur in nature. Biochemical and biophysical studies are aimed at explaining the selective action of toxicants in a wide range of compounds and their transport characteristics. In addition, there is an intensive study underway on soil insecticides, and a program of applied research aimed at protecting crops against damage by insects.

The Analytical Chemistry Research Service is designed to improve methods of analyzing and developing pesticides, fertilizers, feed and other compounds important to agriculture. The Engineering Research Service provides special research equipment not available elsewhere and provides engineering advice on research projects. The Statistical Research Service advises and cooperates in solving statistical problems.

Research Stations and Experimental Farms - A brief description of the activities of the research stations and experimental farms located in the various provinces follows:

British Columbia - There are five research stations in British Columbia, at Agassiz, Kamloops, Saanichton, Summerland and Vancouver. The research program at Agassiz is concerned with agricultural problems of the lower mainland which are soil fertility, forage crop and soil management, small fruits, dairy cattle and poultry. Cultural experiments on strawberries and raspberries are carried out at a substation at Abbotsford, and on potatoes at Boundary Bay.

At Kamloops the research emphasis is on problems of the ranching industry. It includes studies on rangeland vegetation and its livestock



carrying capacity, range management including use of fertilizer and irrigation, diseases and insects of range plants and livestock.

The Research Station at Saanichton concentrates on the specialized horticultural crops and ornamental plants of interest to agriculture on southern Vancouver Island and the coastal region of British Columbia. It is also an import quarantine control centre for fruit viruses. Summerland, in the Okanagan Valley, is the centre of horticultural research for the mainland of British Columbia, and is concerned with the problems of producers and processors of fruits and vegetables. A substation located at Kelowna specializes in research on tree fruits.

The Research Station at Vancouver is a key centre for studies on plant viruses and virus vectors. It also carries on work on soil genesis and soil classification, insect pests of small fruits, vegetables and stored products. A substation located at Chilliwack specializes in research on vegetable insects.

Alberta - Research stations in Alberta are located at Beaverlodge, Lacombe and Lethbridge. The Beaverlodge Research Station serves the Peace River Region and is the main centre for northern research. Experimental farms under its direction are located at Prince George, British Columbia; Fort Vermilion, Alberta; Fort Simpson, Northwest Territories, and Mile 1019 in the Yukon. Research is concerned with the development of agriculture in northern climates, including the development of early maturing hardy varieties of cereal, forage, oilseed and horticultural crops, and the management of livestock.

The research program at Lacombe centres around beef cattle, swine and poultry, but fertility and management of the soils of central Alberta,

and the breeding and management of cereal and forage crops, are also studied. A substation at Vegreville concentrates on soil physics and chemistry.

The Lethbridge Research Station in southern Alberta, is primarily concerned with agricultural problems on both irrigated and dryland soils, and is the main centre for irrigation farming research. Among the projects under study are range management, cereal and forage breeding, dairy cattle, beef cattle and sheep breeding, animal and poultry nutrition. Substations at Vauxhall and Manyberries are associated with Lethbridge.

Saskatchewan - An experimental farm and four research stations study agricultural problems in Saskatchewan. Research on crop and soil management is the main interest at the Indian Head Experimental Farm. Regina Research Station is the seed reproduction and distributing centre for new varieties of cereal and forage crops developed by the Department. It is also the centre for weed research in the Prairie Provinces.

The Research Station at Melfort is the main centre for research work on pasture and forage utilization of interest to the Prairie Provinces. It also serves the northeastern part of the province. At Saskatoon research is focused on forage crop breeding, and control of crop insects and diseases. Included in the program is basic research on insect nutrition, physiology and ecology; the development of oilseed and forage crops; the study of root rots of cereals and forage crop diseases; soil surveys and classification and soil fertility. A substation at Scott does work on soil fertility, weeds and crop management.

Research at Swift Current is directed primarily to solving the agricultural problems of the most arid areas of Western Canada. Soil moisture studies, tillage implements to control soil drifting, irrigation

methods, and development of drought tolerant species of cereal crops and grasses, are all part of the research program. Scientists here have tested and introduced drought tolerant species of grasses, legumes and cereals.

Manitoba - In Manitoba, research stations are located at Brandon, Morden and Winnipeg. At Brandon, the major areas of research are barley breeding and genetics, and forage crop breeding and management. It is also a centre for studying the breeding and physiology of reproduction in beef cattle, swine and poultry. As the main horticultural research centre for the Prairies, Morden is concerned with the development of new varieties of fruits, vegetables and ornamentals suitable to the region. It is also the western centre for the breeding of sunflowers, flax, soybeans and corn. Other research projects include studies on soil management and soil fertility problems.

The Research Station at Winnipeg is world-renowned for the development of rust-resistant wheats. It is Canada's main centre of research on cereal breeding and diseases and pests of cereal crops. It is also the main centre for study of insect pests of stored cereals and cereal products.

Ontario - Four research stations are located in Ontario. The Research Station at Delhi investigates all aspects of tobacco culture, including breeding and genetics, physiology, management, control of pests and diseases, and curing. The research program at Harrow is geared to the problems of the diversified agriculture industry in southwestern Ontario. Major emphasis is placed on tree fruits, vegetables and soybeans. Research on soil management in relation to crop production is carried out at a substation at Woodslee. The Vineland Research Station is particularly concerned with insects, nematodes, viruses and other diseases affecting tree fruits, grapes and ornamental plants.



The Research Station located at the Central Experimental Farm at Ottawa serves eastern and northern Ontario and northern Quebec. The research program is primarily concerned with breeding of cereal and forage crops, corn, strawberries, apples and vegetables. It includes culture and nutrition of horticulture crops, control of crop diseases, management of field crops, plant genetics, plant physiology and the development of apple rootstocks. Associated experimental farms are located at Fort William, Kapuskasing and Smithfield.

Quebec - Three research stations and an experimental farm are located in Quebec. The Experimental Farm at L'Assomption is chiefly concerned with breeding and management problems related to cigar and cigarette tobacco. Poultry research is also carried on. A substation at Lavaltrie carries on work with flue-cured tobacco.

The Research Station at Lennoxville is the centre for animal research in Quebec. Its program includes the breeding, physiology and management of dairy cattle, sheep and swine; and studies on crops and soil fertility. The Research Station at St. Jean is the horticultural research centre for Quebec. Production of vegetables on organic soils is studied at a substation at Ste. Clothilde.

A new Research Station is being developed on the campus of Laval University, where the staff collaborates closely with members of the faculty of agriculture. Research emphasis is placed on problems of crop production and management, and soil fertility. Substations of Laval are located at Normandin, Caplan and La Pocatière. A broad program of research relating to Quebec agriculture is carried out at these substations.



New Brunswick - The Research Station located at Fredericton is the main centre for potato research in Canada. Animal nutrition research for the Atlantic region with related research on forage crop management and agricultural engineering is also carried on here. Work on horticultural crops and potatoes is carried out at McDonald's Corners and Alma.

Nova Scotia - The Research Station at Kentville is the horticultural research centre for the Atlantic region. It also has responsibility for research on pesticide residues, poultry breeding and management, orchard insects and fruit storage.

The associated experimental farm at Nappan is concerned with research on field crops on dikeland and upland soils, and cattle nutrition.

Prince Edward Island - The Research Station at Charlottetown is a centre for the study of potato diseases. Other research projects include soil and plant nutrition, cereal and forage crop production, breeding and management of dairy cattle, and pest control. Variety and cultural trials are conducted with potato, cereal, tobacco, forage, vegetable and small fruit crops.

Newfoundland - The Research Station at St. John's West plays a leading role in the development of agriculture in Newfoundland. Research projects include soil fertility, development of bog land for agricultural use, crop production practices, pest control, poultry management and potato breeding.

#### Health of Animals Branch

The Health of Animals Branch carries on research into animal diseases in the Animal Diseases Research Institutes at Hull, Quebec, and Lethbridge, Alberta. Regional laboratories are situated in strategic locations, with

respect to cattle population, across the country. Research is directed mainly at diseases that cause serious economic losses of livestock and those that may be transmitted to man. Methods of detecting diseases, causes of animal diseases and methods of transmission, are studied. As well as carrying on research and investigation on infectious diseases the biological products required in their control are produced. Research activities of the Branch were estimated to cost more than \$1.2 million in 1966-67.

#### Grain Research Laboratory

This laboratory, operated by the Board of Grain Commissioners, provides the scientific and technical services required for the administration of the Canada Grain Act. The Laboratory maintains an elaborate program of quality tests on Canadian cereal grains, with particular emphasis on Western grains. It carries out annual studies of the quality of the new crop cereals and maintains a continuous check of the quality of cereal grains as they move forward from the farm to marketing positions. New varieties of various cereals developed by plant breeders are tested for quality prior to licensing. Operating expenditures of the Laboratory during 1966-67 totaled \$633,780.

#### Economics Branch

The Economics Branch is responsible for the economic research activities of the Canada Department of Agriculture. It conducts economic surveys and undertakes the collection, analysis and interpretation of economic data to assist in the formulation and administration of departmental policies and programs. It acts as an economic and statistical research agency for the Agricultural Stabilization Board and the Prairie Farm Rehabilitation Administration and assists in any economic undertakings with which the Department is concerned.

The economic aspects of problems related to farm production such as farm income, farm management, resource use, farm finance and crop insurance are continually undergoing research. Joint interdisciplinary research projects related to production are being developed with Research Branch establishments. Other areas of work include a continuing review and appraisal of the impact on Canadian agriculture of the policies of foreign governments relating to agricultural production, trade, price support, surplus disposal, and the formation of regional economic groups; a continuing analysis of the supply, distribution and price situation and outlook for principal groups of agricultural products; the development of intermediate and long-term demand and supply forecasts for farm products; research on marketing organizations, functions, costs and practices in relation to their effect on farm incomes, consumer prices and the efficient functioning of the market generally. As a service to extension workers and farmers it publishes economic information and research results for use in planning agricultural operations.

There are three regional offices, Truro, Nova Scotia, Regina, Saskatchewan and Vancouver, British Columbia, concerned with regional studies of both production and marketing. Although priority is given to matters having implications for national or regional federal policies and programs, much of the research is conducted in co-operation with provincial agencies and deals with problems having considerable local application.

The total operating budget of the Economics Branch is about \$1.2 million a year.

National Research Council

Among its many research activities, the National Research Council undertakes and promotes some research related to agriculture. Apparatus and techniques for preparing, preserving and storing food have been a part of the applied work of the Division of Biosciences at Ottawa. Animal and plant physiology has received research attention. A recent project has been a study of protein variability in wheat.

One of the main aims of the Prairie Regional Laboratory, established at Saskatoon in 1948, is to develop wider uses for crops grown on the prairies by determining potential uses for crops now in production and by encouraging the production of new crops to meet specific needs. The development of oilseed crops as alternative to cereal grain crops has received attention. Considerable work on rapeseed has been done in co-operation with the Canada Department of Agriculture.

Expenditures on research related to agriculture totaled about \$256,000 for the three-year period 1964-65 to 1966-67. Expenditures at the Prairie Regional Laboratory were estimated to total \$100,000, and those at the Division of Biosciences at Ottawa \$156,000.

The National Research Council makes grants to Universities to assist in financing research projects. Grants for research oriented towards agriculture totaled \$939,405 in 1964-65, \$1,205,049 in 1965-66 and \$1,187,627 in 1966-67.

Dominion Bureau of Statistics

The collection, compilation and distribution of statistics is the responsibility of the Dominion Bureau of Statistics. The statistical system



in agriculture is designed to provide information to assist in the management function of formulating and appraising policies in the government and private sectors with respect to agriculture matters. A prime objective is to help the farm community, marketing agencies and farm supply businesses to increase their efficiency by providing up-to-date statistical information. Within the D.B.S. annual statistics pertaining to agriculture are provided by the Agriculture Division and the census of agriculture is provided by the Census Division.

Agriculture Division - The Agriculture Division is responsible for development and operation of a comprehensive, integrated system of agricultural statistics covering all aspects of production, income and expenditures related to agricultural operations. The Division collects current data on agricultural products from farmers and industries. Estimates are published on acreages and livestock numbers, farm output by commodity, utilization of commodities, value and prices, farm labor wage rates, farm expenditures and receipts, farm capital and debt, physical volume of output, domestic disappearance of food products, farm inputs and physical productivity factors, farm practices and indexes of farm prices.

The agricultural statistical system is conducted in close co-operation with provincial government departments. Joint surveys and other work-sharing agreements have been entered into for the purpose of meeting provincial and national needs with the minimum duplication of effort.

Arrangements have been made, and continue to be made, with other agencies, such as the Canada Department of Agriculture, Farm Credit Corporation and the Board of Grain Commissioners, to obtain data emanating from their administrative functions.

The major on-going projects of the Division include:

1. Resource base statistics relating to producing units in agriculture (i.e. acreages of crops, and livestock and poultry numbers) are collected in semi-annual surveys. The surveys include questions on livestock disposition and intentions to produce. A major use is for forecasting future supplies of food products, both short and intermediate term. The surveys also provide information on the changing structure of agriculture.

2. Commodity Statistics are collected in many forms - supply, disposition data, inventories, prices, and so on. Data are derived from the June 1 and December 1 semi-annual surveys, from 100 surveys which include some multi-survey combined enquiries, and from administrative sources. Most of the surveys are of the mail-questionnaire non-probability variety and represent 1 to 5 per cent of the various universes being covered. Provincial departments of agriculture are associated with the D.B.S. in carrying out a number of the surveys.

3. Farm Finance Statistics - Farm income estimates, farm price data and measures of productivity provide a summing up of activities of the agriculture sector relative to over-all output, and returns to labor management and capital. As such it becomes part of the D.B.S.'s total measurement of national income and Gross National Product.

The Agricultural Census - The Census of Agriculture is part of the decennial series of censuses which also includes a census of population and housing.

The Eleventh Decennial Census of Canada will be taken in June 1971. In addition, there have been five quinquennial censuses of the Prairie Provinces, and in 1956 and 1966 a limited census of population and agriculture was taken in all provinces.

The Census of Agriculture is based on an enumeration of all rural holdings and in the Decennial Census includes more than 200 questions on such subjects as size, tenure, land use, crop areas, irrigation, livestock numbers, labor force and sales of agricultural products. It provides a periodic inventory of Canada's farm plant which serves as essential benchmarks for adjusting annual estimates of acreage and production and thus enables changes in the structure of the agriculture industry to be measured. The census is also used to provide the sampling framework for specialized surveys. Because the Census of Agriculture is the only source of data for small areas such as rural municipalities, the results are widely used for regional planning within provinces.

The total expenditure for the 1966 Censuses of Agriculture and Population, covering planning, enumeration, compilation and analysis and publication during the 5 years 1964 to 1969 was almost \$12 million of which about \$3 million was for the Census of Agriculture.

#### Federal-Provincial Activities

##### Agricultural and Rural Development Administration

The Agricultural and Rural Development Act permits Canada and the provinces to undertake jointly, physical, social and economic research related to this federal-provincial program of rural, social and economic development. The research may involve surveys, studies and investigations aimed at establishing criteria and priorities, formulating development plans, and determining the relationship between costs and benefits. Where the research is in the national interest the federal government may initiate the research project and pay the entire cost. However, most ARDA research is initiated and carried out by the provinces, with the federal government sharing the cost.



One of the first pieces of research done under the ARDA program was a study of small non-commercial farms in Eastern Canada in 1963. This survey which was commissioned by the federal government, was designed to provide information useful for planning research and development programs and formulating rural development policies. In another study, the Canadian Welfare Council was commissioned to study four rural areas of limited economic opportunity. The object was to obtain information to assist program planners determine the types of programs best suited to rural needs.

Federal-provincial shared cost research projects cover a wide range of subjects. The major project in which all provinces are participating is a classification of Canada's land resources.

Canada Land Inventory - An inventory of Canada's land resources is a major ARDA project and one in which all provinces are participating. The Canada Land Inventory has co-ordinated many provincial and federal programs and made them into a national research program. Information obtained over many years from soil surveys, forest inventories and other projects and sources is being interpreted and used to classify lands according to their capabilities for agriculture, forestry, recreation and wildlife. The present use of the lands and the socio-economic factors relative to their present use are other factors involved in the classification. Estimates are made of the extent and location of each land class.

The overall objective of the inventory is to provide the facts of supply and demand on which to base decisions concerning the utilization of land resources at the municipal, provincial and federal levels of government. Each province undertakes the inventory within its borders, with the federal government providing technical assistance and reimbursing the province



for all additional direct operational and staff costs incurred in the conduct of the project. The federal government sponsors and co-ordinates the planning, collection, analyses and publication of results as required on a national basis.

Other Research Projects - Research projects undertaken under ARDA in the provinces cover a broad spectrum. In Newfoundland a research project studied the demand for agricultural products. Other studies examined storage, merchandizing, grading, processing, freezing and packaging of agricultural commodities. In Nova Scotia ARDA sponsored a study on the role of education in rural development. In Prince Edward Island, New Brunswick and Quebec major research projects have been concerned with the preparation of comprehensive rural development plans and hence considerable socio-economic research has been undertaken. In Ontario, extensive studies have been undertaken in eastern Ontario to determine what new development should take place in the area. In Manitoba, ARDA research has been concerned with the formulation of a comprehensive rural development plan for the Interlake area and has included a series of social, economic and physical studies.

In Saskatchewan, a number of the research projects reflect the concern of that province about its water supply. One study project will determine the best ways to hold and conserve surface water. Another deals with ground water exploration. Others deal with designs to reduce evaporation and drainage from farm ponds and dugouts and ways to measure the supply potential of streams. However, other research has not been neglected and projects include: farm income study, an inventory of agricultural resources, and research and planning of alternate land use for forage production.

Alberta with funds made available under ARDA, is conducting studies and research on the following subjects: the soundest use and development

of public lands for grazing, the feasibility of expanding the fresh vegetable industry in Alberta, benefits to be derived from irrigation, and location of ground water sources and evaluation of long-term changes in aquifer potential. In British Columbia research projects are underway to detect ground water for farm use, to study possibilities for diversion of water for irrigation, and to study the economic and engineering aspects of many irrigation and drainage developments, and to develop practical means of overcoming the annual flooding and erosion of farm lands caused by swollen rivers fed by melting snow in the mountains.

### Provincial Activities

A number of provinces have research councils part of whose activities involve agricultural research, namely Nova Scotia, New Brunswick, Saskatchewan and Alberta. Quebec has an agricultural research council which is administered by a branch of the Department of Agriculture and Colonization. Its function is to direct, co-ordinate and stimulate research work in agriculture. In Ontario an Agricultural Research Institute was established by an Act of the Legislature in 1962. It co-ordinates all research activities of that province's agricultural schools and colleges in addition to developing a research program in the interests of agriculture and industry associated with agriculture. The 1966-67 budget for agricultural research and related sources supervised by the Ontario Institute was \$8 million.

Some activities of provincial government agricultural extension services have an element of research attached to them, because they provide basic information as well as serving for demonstration purposes. In this category are soil analyses, field trials to determine the variety of crops which will

give the best yield on a given soil type over a period of years, field testing of fertilizers, performance testing of livestock, testing of weed control chemicals and the efficiency of tillage and harvesting machines, and the many farm account club projects. Almost all of these activities complement the research activities of the federal government and the universities. Generally it is impossible to separate research and extension functions in these activities to arrive at expenditures on each.

### EDUCATION

In Canada, each province has the authority and responsibility for organizing its educational system, such authority and responsibility having been granted under the British North America Act. Direct participation by the federal government is confined to providing education to certain special groups such as children in the Northwest Territories and children of members of the armed forces on military bases. However, in recent years, to help meet the increasing costs of education, the federal government has made grants to the provinces under various fiscal agreements, for division among colleges, universities, technical and vocational schools. Special legislation has also been passed providing for federal participation in financing training and retraining of workers by vocational training programs. A student loan program has been established by the federal government for university and college students needing financial assistance, and direct grants have been given to some institutions for equipment and buildings. The operation of public elementary and high schools is in the hands of local school boards. These receive a large part of their budgetary expenditures from local taxation but generally also receive substantial funds from provincial governments.



Vocational and technical schools and colleges are sometimes operated by local boards but are frequently operated by the provincial governments.

Agricultural education courses are given in the high schools of some provinces, and in the vocational schools of some. Seven universities offer degree courses in agriculture, these are the universities of British Columbia, Alberta, Saskatchewan, Manitoba, Guelph, Laval, and Macdonald College of McGill University. Five of these universities (all but Laval and Alberta) also offer diploma courses in agriculture. Colleges of veterinary medicine are located at Saint-Hyacinthe, Guelph and Saskatoon. To assist with financing operation and maintenance and capital improvements, universities receive considerable financial assistance from the province within which they are located. The grants usually are in the form of straight money transfers with allocation between faculties being left to the university concerned.

At one time agricultural courses in high schools were common. In recent years such courses have had few students enrolled. Agricultural vocational schools and universities with diploma courses have continued to attract students although not in numbers comparable with those going to other courses.

Descriptions of some provincial government activities in the field of agricultural education at the high school and vocational college level, and an outline of the Adult Occupational Training Act of the federal government, are given in the following. Some of the provincial government courses are provided in schools under the provincial departments of education and some in schools under the departments of agriculture.

Adult Occupational Training Act of the Federal Government - This Act, which came into effect on April 1, 1967, makes provision for the federal government



to finance vocational training for adults where such training will increase earning capacity or opportunities for employment. Full payment for the courses is provided by the federal government through contracts with the provinces. In addition to paying full costs of the courses, living allowances are available while taking full-time training if the trainee has been a member of the labor force for the previous three years or if he has dependents. The allowance varies from \$35 to \$90 a week. The provincial governments may obtain grants and loans to develop training facilities.

During the first year of this program, April 1, 1967 to March 31, 1968, more than 3,900 persons took agricultural courses including instruction in rural engineering, silviculture, horticulture, livestock production, artificial insemination, irrigation technology, agricultural marketing, farm equipment mechanics, farm equipment operation, dairy science, grain and vegetable crops, and farm management. The cost to the Department of Manpower, which administers this program, for the courses and living allowances where applicable was in excess of \$820,000.

#### British Columbia

The Department of Education has had an agricultural course on the high school curriculum for more than 30 years. Few students have taken it in recent years and it is about to be dropped. A vocational training school for agriculture was officially opened at Dawson Creek in August 1967. The program is in the formulation stage but one of 12 to 18 months of intensive training is planned. Capital expenditures for the first phase of this program totaled \$387,000 and was partly paid by the federal government.

## Alberta

Three Agricultural and Vocational Colleges operate in Alberta under the Department of Agriculture. They are located at Olds, Vermilion and Fairview. Courses are designed for students intending to take specialized jobs in industry as well as those intending to farm. All three colleges offer courses in general agriculture, plant science major, animal science major, agricultural mechanics major, farm management major, and land appraisal and assessment. Other courses offered are horticulture, and irrigation-technician at Olds, and artificial insemination technician at Vermilion. In addition to these courses, home economics is taught at Vermilion, fashion and design at Olds, and business education at all three colleges. Entrance requirements for students differ with the type of course. The length of courses also vary, but the agriculture courses leading to a diploma are of four twelve-week sessions.

Loans, grants and prizes are available to assist students. In 1965-66, a total of 120 students received assistance; 99 obtained loans, 53 received loan remissions, and 28 were awarded prizes of \$50 each.

Graduates in 1966 were: Agriculture 132; Artificial Insemination Technician 5 Diplomas and 5 Certificates; Fashion and Design 16; Business Education 81 Diplomas and 69 Certificates; Home Economics 7, and Horticulture 2.

## Saskatchewan

A program of vocational agricultural training in high schools has been established by the Technical and Vocational Education Branch, of the Department of Education in Saskatchewan. Experimental programs were conducted for several years under the sponsorship of school unit boards at Kindersley,

Kinistino, Rosetown and Tisdale. During the past few years, the program has been established in additional units and is continuing to expand. Some school units have built agricultural departments providing classroom and laboratory facilities.

The program is designed to provide agricultural instruction for students interested in pursuing an agricultural career, either on the farm, in allied occupations, or at the professional level. Teachers are graduates in agriculture and education.

Grants paid by the Department of Education assist local school boards establish and carry on this training program (Table 80).

TABLE 80.- OPERATING AND CAPITAL GRANTS PAID BY THE SASKATCHEWAN DEPARTMENT OF EDUCATION FOR VOCATIONAL AGRICULTURE TRAINING, 1964-65 TO 1966-67

Fiscal Year	Operating Grants	Capital Grants	Total
- dollars -			
1964-65	50,253	43,933	94,186
1965-66	55,503	47,000	102,503
1966-67	67,212	13,067	80,279

Source: Saskatchewan Department of Education.

### Ontario

Four agricultural schools offer courses to students planning to farm as well as to those planning on entering an agri-business career. Schools at Kemptville, Ridgetown and Centralia, offer two college-year diploma courses in agriculture. The Kemptville College of Agricultural Technology (until

1967 called the Kemptville Agricultural School) also offers a two-year course in Home Economics leading to a diploma. An advanced agricultural mechanics course which had been offered to male diploma graduates was terminated in 1967 because of a shortage of students. In June 1966, a total of 80 diplomas was granted, 35 in agriculture, 31 in home economics and 14 in advanced agricultural mechanics. Student enrollment at the Western Ontario Agricultural School and Experimental Farm at Ridgetown in 1966-67, totaled 220, 140 in the first year and 80 in the second year. An animal health technician's course was instituted at this school in 1967-68. The agricultural school at Centralia was opened in 1967. During its first year of operation 32 girls enrolled in the Home Economics Course and 43 boys in Diploma Agriculture. Students at these schools who require financial assistance and have the required qualifications may apply for assistance under the Ontario Students Awards Program. Students are also eligible for loans under the Canada Student Loan program.

In the fall of 1966, a one-year agricultural course was offered for the first time to students in Northeastern Ontario, at the New Liskeard Demonstration Farm and School. In that year, 12 selected students took lectures and laboratory periods in 9 subjects.

In addition to the courses mentioned above, all schools offer a number of short courses specially designed for the needs of farmers in their region. These schools are under the Ontario Department of Agriculture and Food.

#### Quebec

Three-year agricultural technology courses are offered at l'Institut de technologie agricole at La Pocatière and l'Institut de technologie agricole



at Saint-Hyacinthe, Quebec. The institute at La Pocatière gives courses in laboratory techniques, economics, rural engineering, and plant and animal production. The institute at Saint-Hyacinthe gives courses in dairy technology, food technology, food inspection services, cattle and milk production, and horticulture. Together they graduate about 65 students a year.

#### New Brunswick

Vocational agriculture courses are offered in three agricultural schools, at Woodstock, St. Joseph and St. Basile. Home Economics courses are offered in schools in St. Leonard and Moncton. The enrollment of boys during the past 5 years has ranged between 99 and 106, an average of 102, while the enrollment of girls has ranged from 60 to 107, and averaged 84.

In 1966-67, three students from New Brunswick enrolled in the technician course at the Agricultural College in Nova Scotia; eight were enrolled in the diploma course in agriculture at the same college and one was in the diploma course at Macdonald College. The Province of New Brunswick financially participates, based on student enrollment, in the operations of the Nova Scotia Agricultural College.

New Brunswick students enrolled in agricultural degree and veterinary medicine courses receive financial assistance from the Department of Agriculture, under a policy which has been in effect for many years. Students may also obtain loans from the Department to attend these degree courses. In 1966-67, 46 students were enrolled in agricultural colleges and 7 in veterinary colleges.

#### Nova Scotia

The Nova Scotia Agricultural College, which is under the Department of Agriculture and Marketing, is a centre for agricultural training for the

Maritime Provinces. New Brunswick and Prince Edward Island financially participate in its operation along with Nova Scotia. Participation is based on student enrollment.

With the start of the college year in the fall of 1967, the college offered the first three years of a five-year degree course in agriculture (previously the first two years), and a technician course based on 24 months of study after grade 12. Beginning in the fall of 1968, courses at the technological level were offered to students who had completed one of the technician courses or an equivalent course.

A two-year diploma course which had been given at this college for many years was terminated with the graduating class of 1967-68. No students were enrolled in the first year of the diploma course in the fall of 1967.

The number of students enrolled each year during the past five years has been relatively constant, but the number enrolled in the degree course has decreased while those in the diploma courses have increased (Table 81).

TABLE 81.- NOVA SCOTIA AGRICULTURAL COLLEGE, ENROLLMENT BY CLASSES, 1962-63 TO 1966-67

Class	1962-63	1963-64	1964-65	1965-66	1966-67
- numbers -					
First year degree	73	71	73	65	44
Second year degree	52	50	47	39	51
First year diploma	28	31	20	41	20
Second year diploma	12	19	25	16	29
First year technician <sup>a/</sup>					20
Total	165	171	165	161	164

<sup>a/</sup> Introduced in 1966-67.

Source: Annual Report of the Nova Scotia Department of Agriculture and Marketing, for the year ended March 31, 1967.

### Prince Edward Island

The Province of Prince Edward Island financially participates in the operations of the Nova Scotia Agricultural College. Participation is based on student enrollment. Attendance of P.E.I. students at the College in 1966-67 totaled 26, and in 1967-68 totaled 29.

Since 1966, financial assistance has been available to students attending this college. For students enrolled in the technician course, tuition (amounting to \$2,000 per student per year) is paid plus \$15 a week towards board and room. Scholarships are available to students entering the degree course with an average of more than 75 per cent.

### Newfoundland

The Province of Newfoundland financially assists students enrolled in agricultural colleges on the mainland. Assistance is in the form of scholarships which are available for two years and cover such items as tuition, board and lodging, books and travelling expenses. Four students were assisted in 1966-67.

### EXTENSION

Agricultural extension in Canada is generally considered to be a provincial responsibility, but an activity in which federal co-operation is freely given and accepted. This situation has arisen partly from statutory responsibilities, partly from specific co-operative arrangements with provincial authorities, and partly from necessity.

The British North America Act assigned responsibility for education to the provinces and insofar as agricultural extension is recognized as education, it would be considered a provincial function. The Experimental

Farm Stations Act of 1886 cited one of the functions of the federal experimental farms as "the promotion of agriculture, by the dissemination of useful and practical information respecting matters connected therewith". Therefore, both levels of government have had some authority for activity in the agricultural extension field.

The research conducted by the federal department into economic and physical problems of the agricultural industry imposes an obligation on the department to keep in touch with the farming community. In carrying out its many inspections, grading and regulatory services it is difficult to draw a line between what is field work and what is extension.

In a country as large and thinly settled as Canada, with so many climatic and topographical regions, and with such a diversified agriculture industry, a local organization in the field is necessary. This, the provinces have developed in their agricultural representative services, partly arising from their closer association with regional and local problems and partly from statutory responsibility.

In practice, the more or less mutual obligations and interests have resulted in co-operation between federal and provincial government workers in extension as well as other fields of agriculture. Federal fieldmen located in the provinces to administer federal legislation at the local level are in frequent contact with provincial authorities. Research workers of the federal experimental farms and research stations look to the provincial personnel to carry out and assist with field testing programs at local levels. Committees of federal and provincial officials review the latest research findings and develop annual recommendations for crop varieties, fertilizers and pesticides. The federal personnel serve on these committees as



specialist consultants and draw their information from practical experiments, probably conducted by themselves. In general, many of the responsibilities for functions in agricultural services have been worked out between the federal and provincial governments, sometimes by quite informal arrangements, sometimes at conferences of ministers of agriculture, and sometimes through agreements reached at meetings of the Canadian Agricultural Services Co-ordinating Committee.

This Committee has been in existence, in one form or another, since 1932. It includes as members the 11 Deputy Ministers of Agriculture, the 10 Deans and Principals of Faculties and Colleges of Agriculture and Veterinary Medicine, the Director of the Agricultural Research Institute of Ontario, the President of the Quebec Agricultural Research Council, a representative from the National Research Council, a representative from the Dominion Bureau of Statistics, and eight senior officials from the Canada Department of Agriculture. Until recently the efforts of the committee were directed mainly towards the establishment of national technical committees and to receiving reports from them. In 1964, its primary purpose was defined as: "to review governmental and institutional services affecting the general welfare of Canadian agriculture, including the co-ordination and adequacy of those services". Shortly thereafter, agricultural services co-ordinating committees were established in British Columbia, Alberta, Saskatchewan, Ontario, Quebec, and the Atlantic Region to consider how best to use staffs and facilities available in their respective regions and to form a link with the Canadian Agricultural Services Co-ordinating Committee. These committees differ in composition and programs but each one includes at least one deputy minister of agriculture, one dean of agriculture, and one director of a Canada Department of Agriculture Research Station.

### Federal Activities

The extension activities of the Canada Department of Agriculture fall into two broad classes. One is a part of the daily activities of the various branches, and the second is the specialized program of the Information Division.

A considerable part of the time of officers in all branches of the Department is devoted to discussions with farmers and other persons who come for advice. Experimental farms and research stations throughout Canada, are visited by thousands of farmers yearly. Many come to field days organized by associations, and others come on an individual basis. In carrying out their duties of grading, inspection, testing, licensing, and production improvement programs such as Record of Performance for purebred livestock, National Poultry Improvement, and tuberculosis and brucellosis control, employees of the Department are in regular contact with primary producers and processors who frequently request explanation of the ratings given or advice on how to improve their results. Consequently, a considerable part of the work of the federal regulatory and promotional services has an element of extension. Departmental officers, both administrators and research workers, are frequent speakers at meetings and conventions and participants in conventions and workshops of provincial and national organizations of many kinds. Published reports of research done by the Department take the results to extension workers, farmers and other users.

The Markets Information Section of the Production and Marketing Branch, publishes daily, weekly, monthly and annual reports on the marketing of livestock, dairy products, poultry products and eggs, fruit and vegetables,

maple products and honey. Information is thus provided to producers, and other interested persons, on the prices and marketings of agricultural products.

The primary concern of the Prairie Farm Rehabilitation Administration, has been the combatting of drought in the agricultural areas of the Prairie Provinces. It has emphasized the construction of dugouts, large water reservoirs, irrigation systems, and community pastures, and the use of moisture conserving tillage practices such as farm shelterbelts, strip cropping and trash cover. Of necessity, it dispenses information and advice on such matters directly to provincial and municipal authorities and to primary producers.

A statutory requirement of the Farm Credit Act is the supervision of farm operations of young farmers who receive loans from the Farm Credit Corporation. As an outgrowth of this, the FCC started an electronic farm accounting scheme in 1962 which pioneered national efforts in this field. A definite point is made of having the fieldmen work in close co-operation with provincial agricultural representatives to reduce to a minimum any conflicts in the information being dispensed.

The Economics Branch and the Farm Credit Corporation have entered into co-operation with certain provincial and university groups to develop a national electronic mail-in farm accounting system. It is hoped that this will be an effective instrument bearing on both the research and extension aspects of farm management. The Economics Branch publishes a bi-monthly periodical titled "Canadian Farm Economics" which is designed to provide farmers, research and extension workers, governmental administrators and agri-business organizations with information on agricultural economic research and current economic developments in Canadian agriculture.

The Canadian Farm Building Service illustrates a form of co-operative extension. Through this service, farm structures are designed, plans and descriptive catalogues are prepared, and distribution is made to farmers through the provincial departments. The federal Department of Agriculture co-ordinates the program, provides an annual grant towards preparation of the plans, and supplies catalogues free to the provinces.

Another example of co-operation is the "Guide to Farm Practice" published in both Alberta and Saskatchewan. These publications are prepared jointly in each province by the provincial department of agriculture, the provincial university, and the federal department of agriculture. Publication is financed jointly by the federal and provincial department of agriculture in each province.

The Information Division of the Department of Agriculture is responsible for gathering and disseminating information about every part of the Department and its work. In carrying out its functions, the Division gives service to consumers, agricultural extension specialists and research workers both within and outside the Department. The Division comprises two main sections. The News Section works, in the main, through the mass communications media—press, radio, television, films and exhibits, and through direct mailings. It supplies spot news, special articles, photographs, tape recordings, a monthly farm letter, and an illustrated publication titled "News, News, News". The Publications Section produces and distributes bulletins, leaflets, market reports, and two quarterly periodicals: "Canada Agriculture" designed mainly to help keep extension workers and agri-business informed of developments in federal policies, research, and other programs, and "The Lighter" which covers research, statistics, and market information on tobacco.



### Provincial Activities

Although organization differs, all provinces have an extension service within the department responsible for agriculture. In some provinces extension is accorded the status of a separate branch or division - Saskatchewan (called the Agricultural Representatives Branch), Manitoba, Ontario, New Brunswick and Prince Edward Island; in others extension is combined with the name of another activity in the title as in British Columbia (Development and Extension), Alberta (Extension and Colleges), Quebec (Planning and Extension), and Nova Scotia (Extension and Economics). In addition, most provincial departments have a number of branches or divisions organized along specialty lines such as livestock industry, plant industry and soils and crops branches, these being staffed by specialists. Generally, it is difficult to draw a line between what is the field work of these specialists and extension work. In many instances their activities are co-ordinated through the extension branch; in all provinces they advise and assist the agricultural representative with his program and provide specialist consultant services for the farmers.

A large part of the educational work and leadership provided by agricultural departments reaches farmers through the activities of the agricultural representatives. These men are located throughout the various provinces, their territory comprising a county or group of rural municipalities. They arrange short courses, field days and demonstrations, give advice on such matters as fertilizers, seeds, insects, diseases of livestock and crops, weed control and feeding practices, assist with obtaining farm labor, agricultural society activities and club work, and generally act as the local agent in carrying out the programs and policies of the provincial department of agriculture.

In essence, the agricultural extension service of the provincial governments is the adult education service for rural people. Historically it was, and to some extent still is, primarily concerned with practices and skills aimed at increasing and improving the quality of production. Recent developments and trends have led to more attention being paid to the economic and social problems of the industry. Generally, there has been an increasing emphasis on agricultural economics and farm management. Some provinces have established an agricultural economics branch within the department of agriculture. There is a trend, in some provinces more pronounced than others, to broaden the extension program to include all in the rural community, that is, it includes those in the rural towns and villages as well as farmers. The increasing number of rural development programs indicates the concern for development of all the human and physical resources of the community.

An outline of the organization and some of the main activities of the various provincial extension branches is given in the following. In no instances do these branches do all of what may be termed the extension work of the departments of agriculture.

#### British Columbia

The Development and Extension Branch places emphasis on those extension efforts that directly attempt to satisfy the technical, economic and social needs of the commercial farm enterprise. Technical information is provided through regular circulars, publications, newspapers, television and radio, workshops, field days and personal farm visits. The 4-H Club program forms part of the extension activity. A farm business management program was introduced in 1966. Agricultural representative services are provided through 17 district offices.

### Alberta

In 1966-67, the Extension Branch and the Agricultural and Vocational Colleges Branch were amalgamated into the Extension and Colleges Division. The province was divided into seven regions with a regional centre designated for each, to help decentralize the services of the Department. Each regional office is to be staffed with a regional agriculturist and a number of regional specialists. At the local level the extension program is carried on by some 70 professional agrologists through 50 offices. The 4-H Club program which had been a part of the extension activities of the Department was transferred to a new Department of Youth in April 1968. Agricultural manpower and agricultural societies are among the responsibilities of the Extension and Colleges Division which comprises a Home Economics Section, Radio and Information Section, Agricultural Engineering Section, and a Publications and Visuals Aids Section.

### Saskatchewan

The Agricultural Representative Branch is the main extension agency of the Saskatchewan Department of Agriculture. As well as providing a basic extension program the branch co-operates with and co-ordinates the work of other branches of the department as well as the University of Saskatchewan and the Canada Department of Agriculture. The three-way co-ordination of agencies forms what is known as the co-operative extension program. In 1966-67, the agricultural representative branch received a total of 3,284 man-days of assistance from co-operating agencies. This was made up of 1,076 from other branches of the provincial department, 1,043.5 from the University of Saskatchewan, 219.5 from the Canada Department of Agriculture and 945 from other non-government sources.



The agricultural representative branch has a staff of 52 professional agrologists and carries out its extension program through 40 district offices. It is assisted in its efforts to promote agricultural improvement by the Provincial Advisory Council on Agricultural Extension, agricultural district boards and municipal agricultural committees. These groups act in co-ordinating and advisory capacities to the agricultural representatives and the department. The branch comprises a farm management division, audio visual division, and is responsible for the farm labor program and a number of special branch projects.

#### Manitoba

The Extension Service Branch of the Manitoba Department of Agriculture and Conservation, provides specialized services in home economics, agricultural engineering, entomology and apiculture, youth work (4-H), farm labor and planning for resource management. The extension program is carried on through 36 agricultural representatives' offices by a branch staff of upwards of 50 professional agrologists and 14 extension home economists. An Extension Advisory Council in each district advises the agricultural representative and assists in co-ordinating his program.

An Agricultural Extension Centre, located at Brandon, provides facilities for adult education courses, meetings for various farm groups and general activities. The centre also functions as a regional office for an agricultural representative and a number of specialists. The supervision and management of the centre, including the planning and implementation of educational programs, was brought under a full-time principal in 1966, previous to that it was a joint position with that of the agricultural representative located there. Instructors for courses



are drawn from the Manitoba and Canada Department of Agriculture, Brandon College, the Universities of Manitoba and Saskatchewan, and other institutions and organizations as required.

### Ontario

The Extension Branch of the Ontario Department of Agriculture and Food comprises four services: the Agricultural Representative Service, the Farm Management Service, the Agricultural Engineering Extension Service, and the Fruit and Vegetable Extension Service.

The Agricultural Representative Service has personnel working in every county and district of the Province. Livestock and crop improvement programs are among the major activities of this service. The agricultural representatives acted as secretaries for 35 breed organizations and treasurers for 34 clubs in 1966-67. The agricultural representatives act as secretary-treasurers for the Crop Improvement Associations in all counties and districts. They also have the major responsibility for the organization and direction of the 4-H agricultural club program in Ontario.

The Farm Management Service employed five farm management specialists in 1967, four in 1966. These specialists assist with planning county and district programs and advise farmers on farm management problems both on a group and individual basis.

The Agricultural Engineering Extension Service provides specialized assistance on such projects as construction, drainage, farm ponds, grain drying systems, irrigation and water supply systems, farm building plans, ventilation systems, and on farm machinery.

The Fruit and Vegetable Extension specialists act as consultants to the producers of horticultural crops in Ontario. Specialists are located in areas where the production of these crops is concentrated.

The adult education program for the homemaker was until 1965-66 a function of the Extension Branch, it is now the responsibility of a new Home Economics Branch.

#### Quebec

The Farm Planning and Extension Service of the Quebec Department of Agriculture and Colonization carries out that province's extension program, which is aimed at solving problems of management and the promotion of agriculture at regional and county levels.

A Ministerial Advisory Committee informs and advises the Minister and his deputies on all aspects of rural life. This Committee is composed of representatives of the following organizations: Quebec Federal Co-operative (3 members), Catholic Farmers' Union (2 members), Agronomists' Corporation (2 members), Land Settlement Societies Federation (2 members), Quebec Farmers Association (1 member), and the Department of Agriculture and Colonization (4 members).

There are about 80 agricultural representatives throughout the province. Their work is co-ordinated at the regional level by seven regional supervisors.

#### New Brunswick

The Extension Branch of the New Brunswick Department of Agriculture and Rural Development is responsible for the agricultural extension program in that province. Farm management has been receiving major emphasis in the past couple of years. Technical information is provided through short courses, circular letters, radio, television, field days and farm visits. The program is carried out at the local level through 17 district offices.

Nova Scotia

In 1966-67, the Extension Services Branch of the Nova Scotia Department of Agriculture and Marketing was renamed the Extension and Economics Services. The new name reflects an increased emphasis on agricultural economics in the extension program which covers general farm development, farm business management, home economics, 4-H clubs, agricultural engineering and resource development. Farmers are served through 15 local offices.

Prince Edward Island

Professional staff of the Extension Division of the Prince Edward Island Department of Agriculture are a Director of Extension and three agricultural representatives. The work of the Division is divided into three main areas: youth work through 4-H Clubs, the encouragement of young adults towards agricultural occupations and provision of information to farm operators. As well as being responsible for the agricultural representatives, the Director of this Division is also responsible for 4-H Clubs, the soil analyst, horticulture, field crops, farm management, and the agricultural engineering work carried on by members of the Department. The Department has specialists working in all of these areas.

Newfoundland

The Division of Agriculture is part of the Department of Mines, Agriculture and Resources. The Division is in charge of a Director who has a staff of some 50 officers. For purposes of administration and extension the province is divided into six districts in each of which there is a resident fieldman. Officers from the St. Johns District visit each district office

on special assignments. In this province, the 4-H Clubs are organized and directed by the Division of Community Leadership Planning of the Department of Education. The field staff of the Division of Agriculture assist in the organization and development of agricultural oriented projects and participate in 4-H local, regional and provincial achievement days.



FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES

ON AGRICULTURE

The traditional structure of agriculture, consisting of a large number of independent, small-scale, family-operated farm units, plagued by variable yields and variable prices and under pressure to make continual adjustments to keep pace with technological and economic development, has invited a much greater degree of governmental involvement than is the case with other industries.

Land settlement programs providing for grants and sales of land to prospective settlers during the first 60 years following Confederation were the first form of government involvement in agriculture in Canada. During those early years of settlement government assistance to increase the production of crops and livestock was provided through grants to agricultural societies whose aim was to improve production and marketing efficiency.<sup>1/</sup> The Health of Animals Act of 1879 involved the federal government in the control and prevention of livestock diseases. The establishment of the federal experimental farms system in 1886 was the beginning of the experimental and scientific research work which has played such a large part in the development of the agriculture industry in Canada. It was during the last decade of the 19th century,<sup>2/</sup> when financial assistance was provided for the establishment and operation of dairy plants and equipment that the federal government introduced its first real program to improve the quality of farm products.

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<sup>1/</sup> W.M. Drummond, et al., A Review of Agricultural Policy in Canada, The Agricultural Economics Research Council of Canada, June 1966.

<sup>2/</sup> Ibid, p. 21.

The expansion of agriculture on the prairies in the early 1900's brought grain marketing problems, with resultant pressure from producers to improve marketing facilities, and the subsequent involvement of both the federal and provincial governments in marketing. The Manitoba Government operated country elevators in 1909 and 1910, and in 1913 the federal government undertook the operation of terminal elevator facilities.

The 1920's saw an expansion of the research work begun with the establishment of the experimental farms system. Inspection and grading which had previously been largely confined to products for export were extended to many agricultural products sold for domestic use.

The depression of the 1930's with the accompanying drought in the Prairie Provinces gave rise to various forms of relief assistance and thus involved governments in income maintenance payments as well as in conservation and rehabilitation programs. The Canadian Wheat Board, the Prairie Farm Rehabilitation Administration, and the Prairie Farm Assistance Administration which were established by the federal government during that period are still operative.

Price controls and programs to stimulate production as part of the overall war effort were introduced in the early 1940's by the federal government. Cash payments were made to farmers to supplement their incomes in lieu of price increases, and to encourage shifts in production from one product to another and quality premiums were introduced to obtain the type of product required. Public funds were also used to subsidize the purchase of a wide range of agricultural production inputs including feed, seed, fertilizer, limestone and machinery.

During the early post-war years, price controls were relaxed and eventually eliminated. Subsidies were reduced and most were eventually discontinued. However, agricultural limestone subsidies, freight assistance on feed grain shipped to eastern Canada and British Columbia and hog quality premiums are war-time programs that became a permanent part of the post-war agricultural assistance program. Legislation passed in 1944 to provide "for the support of prices of agricultural products during the transition from war to peace" was given continuing status in 1950. The Farm Improvement Loans Act of 1944 provided a federal government guarantee for short and intermediate term loans to farmers. Financial assistance was provided veterans of the armed forces for land settlement, under terms of the Veterans Land Act. Provincial governments assisted by making new lands available for settlement, often with special provisions for financing clearing and breaking.

The rapidly changing technology in agriculture brought increased requirements for capital to finance farm operations in the 1950's. To assist in meeting this demand the federal government and almost all provincial governments introduced new farm credit programs. During this decade the provincial governments intensified their extension activities with increased emphasis on conservation, quality improvement, eradication of disease, increased production and farm management.

The Agricultural Prices Support Act of the federal government was replaced by the Agricultural Stabilization Act in 1958, making price support mandatory for nine key commodities. The Crop Insurance Act, Farm Machinery Syndicates Credit Act, Agricultural and Rural Development Act, and the Canadian Dairy Commission Act have been enacted by the federal government during the past decade as part of the effort to improve the economic welfare of the agriculture industry.

An indication of the extent and rate of growth of government involvement in agriculture can be obtained from a comparison of federal and provincial government expenditures on agriculture during the three years 1964-65 to 1966-67 with government expenditures on agriculture during the 1930's. Total government expenditures on agriculture amounted to \$442 million in 1966-67, \$387 million in 1965-66 and \$323 million in 1964-65 compared with \$22 million in 1933-34, \$62 million in 1937-38 and \$66 million in 1943-44 (Tables 82 and 83).

The factors responsible for the phenomenal growth may be determined by dividing expenditures into three broad groups based on the nature of the individual program. These groups are (1) those intended to facilitate the production and marketing of farm products; (2) those concerned with producer price and income maintenance; and (3) programs of research, education and extension. Production and marketing programs accounted for 60 per cent of government assistance in 1933-34 as compared with 35 per cent in 1966-67. At the same time expenditures for price and income maintenance increased from 16 per cent in 1933-34 to 41 per cent in 1966-67. Large relief expenditures in rural areas of western Canada during the 1930's and wartime expenditures in connection with agricultural production caused the percentage distribution for 1937-38 and 1943-44 to depart somewhat from the overall trend. Expenditures on education, research and extension accounted for 19 per cent of expenditures in 1933-34, essentially the same proportion as in the years 1964-65 to 1966-67.



TABLE 82.-- DISTRIBUTION OF GOVERNMENT EXPENDITURES ON AGRICULTURE BY MAJOR CATEGORY, SELECTED YEARS 1933-34 TO 1966-67

Year	Production and Marketing		Price and Income Support		Education, Research, Extension		Administration		Wartime		Total Amount
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	
	thousand dollars		thousand dollars		thousand dollars		thousand dollars		thousand dollars		thousand dollars
1933-34	13,040	60.3	3,414	15.8	4,140	19.1	1,039	4.8			21,633
1937-38	20,631	33.3	33,814	54.5	6,482	10.4	1,115	1.8			62,042
1943-44 <sup>a/</sup>	24,788	15.9	34,358	22.0	5,630	3.6	1,487	1.0	89,813	57.5	156,076
1943-44 <sup>b/</sup>	24,788	37.4	34,358	51.9	5,630	8.5	1,487	2.2			66,263
1964-65	130,713	40.4	116,069	35.9	67,831	21.0	8,720	2.7			323,362
1965-66	136,613	35.3	162,178	41.8	76,237	19.7	12,314	3.2			387,342
1966-67	156,339	35.4	180,329	40.8	89,190	20.2	16,197	3.6			442,054

<sup>a/</sup> Including wartime expenditure.<sup>b/</sup> Excluding wartime expenditure.Source: Expenditure data for 1933-34, 1937-38 and 1943-44 from Agriculture, Reference Book for Dominion-Provincial Conference on Reconstruction, 1945, tables 1 and 5, pp. 82 and 84.

TABLE 83.- FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES ON AGRICULTURE, SELECTED YEARS 1933 TO 1943

	1933-34	1937-38	1939-40	1941-42	1942-43	1943-44
	- thousand dollars -					
1. Department of Agriculture:						
Administration	1,069	1,115	1,206	1,319	1,327	1,487
Farms and experimental stations	1,686	2,480	2,356	1,880	1,641	1,718
Extension Service	1,026	1,425	1,594	1,646	1,671	1,723
Agricultural colleges and schools	1,080	1,387	1,394	1,358	1,162	1,291
Livestock and poultry	3,561	4,261	5,001	5,303	5,343	5,727
Dairying	727	820	874	3,795	4,499	3,626
Horticulture	751	1,009	1,624	1,571	1,534	1,482
Grants to societies, clubs	344	399	423	391	394	397
Exhibitions	621	636	636	271	246	260
Other						
War expenditures	2,765	5,794	16,210	51,511	34,257	41,778
Sub-total	13,630	19,326	1,376	25,789	18,084	62,366
			32,694	94,834	70,158	121,855
2. Other Departments:						
War expenditures	4,759	9,498	29,731	16,997	6,518	6,766
Sub-total				978	17,796	27,447
				17,975	24,314	34,213
3. Agriculture relief	3,244	33,218	2,847	377	237	8
Total	21,633	62,042	65,272	113,186	94,709	156,076

Source: Agriculture, Reference Book for Dominion-Provincial Conference on Reconstruction, 1945, tables 1 and 5, pp. 82 and 84.

To provide for a more detailed study of the financial implications of government involvement in agriculture, a breakdown of expenditures by the federal government and each provincial government on agriculture, by type of program, for the years 1964-65, 1965-66 and 1966-67 is provided in Tables 84 to 89.

Information in a form suitable for studying the cost of government agricultural programs is not readily available in published form, and frequently is not available in departmental records. Public accounts and departmental reports separately or together usually do not indicate the extent and nature of expenditures on various programs. Departmental annual reports seldom complement the public accounts in terms of extension or explanation of financial data presented. Public accounts, designed for accounting and administrative purposes, frequently show departmental administration costs in detail but group expenditures on agricultural programs under a general heading. Continuing programs may be shown in a different way each year, or may be omitted in some years. Frequently, gross expenditures are shown rather than net, with revenues from all sources and for all purposes being grouped in a broad summary. Capital expenses and current expenses are not separated. What may be considered a capital expense by one may be considered a current expense by another. Costs of maintaining revolving funds are not shown. No distinction is made between recipients for those programs that directly benefit non-farmers as well as farmers. Federal expenditures on shared-cost programs frequently do not appear in public accounts in the same fiscal year as do expenditures of the provincial government for the related program.





TABLE 1. FEDERAL GOVERNMENT EXPENDITURES ON AGRICULTURE, 1966-67 (continued)

	Distribution of Expenditures by Province or Region								Not Allocated by Province	Total Federal Expenditure
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia		
								Prince Edward Island	Newfoundland	
- thousand dollars -										
2. MARKETING ASSISTANCE										
General										
Cold storage construction subsidy										26.4
Inspection										659.0
Export trade promotion (Trade and Commerce)										555.7
Sub-total										1,214.7
Grains, Feeds and Seeds										
Inspection and regulation										127.0
Board of Grain Commissioners: excess of revenue over expenditure										(249.4)
Sub-total										(122.4)
Livestock and Livestock Products										
Cheese factory improvement grant										20.2
Grading, inspection and regulation					18.8			1.4		9,100.0
Sub-total										9,100.0
Fruits and Vegetables										
Potato warehouse construction subsidy						66.5				66.5
Inspection and regulation										2,211.0
Sub-total										2,211.0
Total										12,403.3
3. FARM SUPPORT AND INCOME ASSISTANCE										
Commodity Purchase and Export Assistance:										
Dairy Products	75.7	82.2	3.9	37.8	2,510.7	5,328.4	24.6	15.6	23.4	8,102.3
Miscellaneous	.3	11.5	3.0	3.8	66.9	101.0	.3	.5	.5	187.8
Producer Subsidies and Deficiency Payments:										
Dairy Products	1,554.1	6,802.2	3,312.7	3,376.7	27,389.1	31,568.9	932.1	573.9	1,202.2	76,711.9
Eggs	.9	1.7	.9	.9	7.2	5.7	.8	.3	.4	19.6
Wool	31.3	211.5	82.9	25.3	170.0	73.5	16.8	21.3	8.9	647.7
Sewage costs		4,659.4		2,459.9	2,180.8	850.1				10,150.2
Agricultural Stabilization Board: admin.										391.3
Agricultural Machinery Commission: admin.										37.8
Farm Income Assistance Act: admin.										846.4
Farm Income Assistance:										
Premium payments	5.6	239.3	189.6	416.8	17.0					870.5
Administration payments	22.3	102.2	77.7	238.6	18.9					463.2
Emergency Assistance: adverse weather	1,436.0				2,300.4	6,597.6	229.0			10,637.2
Feed Grain Subsidy:										
Premium	2,206.2				4,724.6	9,992.1	998.4	1,770.1	442.3	20,600.8
Storage										570.5
Temporary Wheat Reserves Storage										
(Canadian Wheat Board)										24,294.4
Compensation: animal contagious disease	6.8									705.0
: insects and pests	570.5									570.5
: pesticide residues	45.4									45.4
Total										999.6
										155,852.5
										- continued

TABLE 84.- FEDERAL GOVERNMENT EXPENDITURES ON AGRICULTURE<sup>a/</sup>, 1966-67 (continued)

	Distribution of Expenditures by Province or Region								Not	Total Federal Expenditure
	British Columbia	Alberta	Saskat- chewan	Manitoba	Ontario	Quebec Brunswick	New Nova Scotia	Prince Edward Island	Allocated by Province	
4. EXTENSION										
Information service										797.8
Information service (ARDA)										14.0
Total										811.8
5. RESEARCH										
Grants in aid										453.4
Research Branch										33,547.4
Health of Animals Branch										1,211.0
Economics Branch										1,035.1
Sub-total										36,246.9
6. EDUCATION b/										
Grant: Veterinary college										72.0
Total										1,187.6
7. OTHER										
General administration										1,658.6
Agricultural and Rural Development (ARDA)										6,535.0
Total										42,781.9
8. TOTAL EXPENDITURE										

<sup>a/</sup> Expenditures are by the Canada Department of Agriculture except where otherwise indicated.  
<sup>b/</sup> The proportion of the federal government grant to universities used for agricultural education was not available.

TABLE 85.- FEDERAL GOVERNMENT EXPENDITURE ON AGRICULTURE <sup>a</sup>, 1965-66

[illegible]

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TABLE 85.- FEDERAL GOVERNMENT EXPENDITURES ON AGRICULTURE <sup>a/</sup>, 1965-66 (continued)

	Distribution of Expenditures by Province or Region									Not	Total Federal Expenditure
	British Columbia	Alberta	Saskat- chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Allocated by Province	
- thousand dollars -											
4. EXTENSION											
Information service										684.8	684.8
Information service (ARDA)										.7	.7
Total										685.5	685.5
5. RESEARCH											
Grants in aid										165.0	165.0
Research Branch										31,244.8	31,244.8
Health of Animals Branch										1,028.0	1,028.0
Economics Branch										959.2	959.2
Sub-total										33,397.0	33,397.0
Board of Grain Commissioners										560.5	560.5
Dominion Bureau of Statistics										1,236.0	1,236.0
National Research Council:											
: research by NRC										102.0	102.0
: grants to universities										1,205.0	1,205.0
Agricultural and Rural Development	267.0	129.4	187.6	346.4	87.5	1,759.7	221.9	189.2	123.5		
(ARDA)										767.8	4,200.5
Sub-total										3,871.3	7,304.0
Total										37,268.3	40,701.0
6. EDUCATION b/											
Grant: Veterinary college										80.3	80.3
Total										80.3	80.3
7. OTHER											
General administration										1,999.9	1,999.9
Agricultural and Rural Development (ARDA)										451.1	451.1
Total										2,451.0	2,451.0
8. TOTAL EXPENDITURE										66,037.6	245,152.8

<sup>a/</sup> Expenditures are by the Canada Department of Agriculture except where otherwise indicated.<sup>b/</sup> The proportion of the federal government grant to universities used for agricultural education was not available.

Note: Figures in brackets represent an excess of revenue over expenditure.

TABLE 86.- FEDERAL GOVERNMENT EXPENDITURES ON AGRICULTURE a/, 1964-65

	Distribution of Expenditures by Province or Region								Not Allocated by Province	Total Federal Expenditure
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland
- thousand dollars -										
1. PRODUCTION ASSISTANCE										
Livestock										
Quality premiums: Cheese	10.2	10.4		5.3	691.4	467.5	1.6		8.9	1,195.3
Lambs	61.6	126.3	14.6	83.8	150.8	63.3				524.2
Hogs	35.6	1,735.5	614.8	648.7	3,375.4	1,692.3	59.6	118.7	162.2	8,443.1
Livestock improvement and disease control										7,838.0
Sub-total					42.5	1,205.0	100.0	102.5	65.8	1,584.0
Crops					80.8	11.1				91.9
Agricultural lime assistance	57.3									
Barberry eradication										
Crop improvement and disease control										
Sub-total										2,105.0
Land and Water Development										2,105.0
Prairie Farm Rehabilitation (PFRA)										
Maritime Marshland Rehabilitation (MTRA)										
Agricultural and Rural Development (ARDA)	170.0	462.2	2,188.8	687.6	128.7	3,018.2	151.0	203.3	81.6	325.6
Sub-total										325.6
Farm Credit										
Farm Credit Corporation:										
Farm mortgages: net operating loss	20.0	241.0	(184.0)	(34.0)	(7.0)	503.0		(9.0)		530.0
: capital loss	(.5)	(.2)		.4	1.7	15.2	3.5		.9	21.0
Machinery syndicates: net operating loss										49.5
Farm Improvement Loans (Finance)	9.9	33.0	32.3	16.1	31.6	66.3	8.2	.3	4.8	202.5
Prairie Grain Advance Payments										
(Canadian Wheat Board)										
Veterans Land Act (Veterans Affairs)	151.5	617.7	939.3	486.1	504.7	43.1		109.2		139.6
Sub-total										189.1
Grants to Agricultural Organizations, Fairs, Etc.										
Agricultural Organizations										
Fairs and Exhibitions	32.3	53.6	55.4	50.6	207.2	278.2	26.5	28.0	6.5	276.9
Sub-total										276.9
Other										
Farm Labor Agreement (Manpower)	7.6	22.8	1.5	10.4	11.9	26.4	8.1	8.2	3.6	7.0
Miscellaneous										7.0
Sub-total										107.5
Total										10,741.6
										59,550.4

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TABLE 86.- FEDERAL GOVERNMENT EXPENDITURES ON AGRICULTURE a/, 1964-65 (continued)

	Distribution of Expenditures by Province or Region								Not	Total Federal Expenditure
	British Columbia	Alberta	Saskat- chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	
- thousand dollars -										
2. MARKETING ASSISTANCE										
General										
Cold storage construction subsidy	20.5	26.6					29.8			456.0
Inspection										399.1
Export trade promotion (Trade and Commerce)										855.1
Sub-total										932.0
Grains, Feeds and Seeds										
Inspection and regulation										106.0
Board of Grain Commissioners										933.0
Sub-total										1,039.0
Livestock and Livestock Products										
Cheese factory improvement grant					207.4		45.4	1.1	60.0	313.9
Grading, inspection and regulation										7,305.0
Grants										5.0
Sub-total										7,310.0
Fruits and Vegetables										
Inspection and regulation										1,849.0
Sub-total										1,849.0
Total										
3. PRICE SUPPORT AND INCOME ASSISTANCE										
Commodity Purchase and Export Assistance:										
Dairy Products	174.6	1,314.8	826.4	774.8	4,109.9	4,775.6	211.9	103.9	191.7	12,483.6
Miscellaneous	.4	18.4	5.4	6.0	32.6	16.0	.4	.8	.8	80.8
Producers Subsidies and Deficiency Payments:										
Dairy Products	225.3	4,221.7	2,659.5	2,574.9	12,904.8	17,534.3	669.4	290.7	663.5	41,744.1
Eggs	42.9	87.5	29.3	103.9	575.2	103.8	7.0	11.0	19.7	981.7
Wool	33.6	193.5	72.1	21.6	125.9	60.3	16.0	17.4	7.0	552.8
Sour Cherries					300.4					300.4
Agricultural Stabilization Board: admin.										378.7
Prairie Farm Assistance Act: admin.										1,106.2
Crop Insurance:										
Premium payments									.8	294.1
Administration payments		20.8	73.8	219.5					5.2	208.1
Emergency Assistance: adverse weather	3.1		56.2	138.5	254.2	170.3				503.1
Feed Grain Subsidy:										
Freight	1,993.1				3,768.7	8,285.4	1,084.0	1,701.1	342.6	17,864.5
Storage										1,033.1
Temporary Wheat Reserves Storage										
(Canadian Wheat Board)										
Compensation: animal contagious diseases	13.5	173.9	86.0	81.8	246.2	861.5	2.1	2.2	.3	28,567.7
Total										1,467.5
										1,411.8
										107,566.4

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TABLE 86.- FEDERAL GOVERNMENT EXPENDITURES ON AGRICULTURE <sup>a/</sup>, 1964-65 (continued)

	Distribution of Expenditures by Province or Region										Not Allocated by Province	Total Federal Expenditure
	British Columbia	Alberta	Saskat- chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfound- land		
- thousand dollars -												
4. EXTENSION												
Information service												
Total											832.4	832.4
5. RESEARCH												
Grants in aid											192.1	192.1
Research Branch											27,489.4	27,489.4
Health of Animals Branch											985.0	985.0
Economics Branch											935.9	935.9
Sub-total											29,602.4	29,602.4
Board of Grain Commissioners											499.1	499.1
Dominion Bureau of Statistics											825.0	825.0
National Research Council:												
: research by NRC											82.0	82.0
: grants to universities											939.4	939.4
Agricultural and Rural Development (ARDA)	109.7	86.9	220.9	173.5	116.8	96.7	213.0	51.8	55.1	181.7	560.7	1,866.8
Sub-total											2,906.2	4,212.3
Total											32,508.6	33,814.7
6. EDUCATION <sup>b/</sup>												
General administration											1,410.0	1,410.0
Agricultural and Rural Development (ARDA)											240.0	240.0
Total											1,650.0	1,650.0
7. OTHER												
General administration											58,197.5	58,197.5
Agricultural and Rural Development (ARDA)											214,857.8	214,857.8
Total												
8. TOTAL EXPENDITURE												

<sup>a/</sup> Expenditures are by the Canada Department of Agriculture except where otherwise indicated.<sup>b/</sup> The proportion of the federal government grant to universities used for agricultural education was not available. No other grants made in 1965-66.

Note: Figures in brackets represent an excess of revenue over expenditure.



TABLE 87.- EXPENDITURES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS ON AGRICULTURE, 1966-67

	Provincial Governments										Federal Government Expenditures	Total
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island-Newfoundland			
									land	Total		
- thousand dollars -												
1. PRODUCTION ASSISTANCE												
Livestock	96.7	1,349.1	225.1	202.7	771.6	1,920.7	365.4	157.1	140.0	150.9	5,319.3	19,936.5
Crops	137.8	586.2	124.5	180.3	323.9	6,889.2	256.2	230.9	318.5	12.4	9,059.9	4,422.7
Land and water development	2,011.5	5,161.9	6,189.8	14,998.5	2,667.2	11,045.1	353.8	214.3	359.9	125.0	43,127.0	32,622.4
Farm credit		161.8	10.0	704.4	513.5	9,999.2	89.2	98.4	16.8	3.6	11,596.9	6,014.0
Grants to organizations, fairs, etc.	192.4	529.4	405.5	212.7	583.7	807.9	80.6	54.8	44.4	30.9	2,942.3	1,448.4
Farm labor service	4.0	37.5	3.9	11.6	57.6	6.8	3.7	12.5	4.6		142.2	130.6
Sub-total	2,442.4	7,825.9	6,958.8	16,310.2	4,857.5	30,668.9	1,148.9	768.0	884.2	322.8	72,187.6	64,574.6
2. MARKETING ASSISTANCE												
General	35.7	27.6		15.8	263.3	510.7		59.2		74.8	987.1	1,241.1
Grains, feeds and seeds											(122.4)	(122.4)
Livestock and products	111.6			67.8	1,999.5	1,246.2	27.8	18.0	44.6		3,515.5	9,120.2
Fruits and vegetables				14.7	612.0	252.6	10.8		69.5		959.6	2,277.5
Grants to associations, etc.					672.9						672.9	672.9
Other		166.6			758.3						924.9	924.9
Sub-total	147.3	194.2		98.3	3,547.7	2,767.8	38.6	77.2	114.1	74.8	7,060.0	12,516.4
3. PRICE SUPPORT AND INCOME ASSISTANCE												
Agricultural Stabilization Board												
Canadian Dairy Commission												
Dairy products subsidy					4,053.9	9,459.6	29.5	58.2	78.0		13,679.2	96,210.8
Crop insurance (including FFA)	49.5	358.8	91.0	254.7	48.9				32.1		835.0	37.8
Feed grain subsidy												13,679.2
Temporary wheat reserves storage subsidy												3,015.1
Emergency assistance - re adverse weather	1,465.8	1,466.5		12.4	2,280.2	2,196.7	238.1				7,659.7	10,637.1
Compensation: Livestock	22.3		2.1		51.6	7.2	2.7				85.9	790.9
: Crops	1.4										1.4	705.0
Miscellaneous subsidies	12.5				159.3	1,877.4	1.8	83.4	60.9		2,215.3	617.3
Sub-total	1,551.5	1,825.3	93.1	267.1	6,593.9	13,540.9	272.1	141.6	191.0		24,476.5	2,215.3
4. EXTENSION												
Sub-total	1,644.7	2,324.6	1,962.7	1,485.0	5,947.2	4,716.6	891.4	1,020.1	177.4	345.6	20,515.3	811.8
	1,644.7	2,324.6	1,962.7	1,485.0	5,947.2	4,716.6	891.4	1,020.1	177.4	345.6	20,515.3	811.8
												21,327.1
												21,327.1

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TABLE 87.- EXPENDITURES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS ON AGRICULTURE, 1966-67 (continued)

	Provincial Governments										Prince Edward Island	Nova Scotia	New Brunswick	Total land	Federal Government	Total Expenditures
	British Columbia	Alberta	Saskat- chewan	Manitoba	Ontario	Quebec										
- thousand dollars -																
5. RESEARCH																
Research stations, demonstration farms, etc.		312.0			7,016.2	534.3									7,862.5	41,410.0
Grants in aid	17.3	507.5	2.2	632.5	1,194.9	1,087.1									3,441.5	5,082.5
Other	127.2	202.4	267.1	84.9	477.5	135.0	.6	74.9	90.3						1,459.9	12,749.3
Sub-total	144.5	1,021.9	269.3	717.4	8,688.6	1,756.4	.6	74.9	90.3						12,763.9	59,241.8
6. EDUCATION																
Schools and colleges	24.7	3,217.3	13.1		630.1	2,871.1	27.2	197.1							6,980.6	8,980.6
Grants in aid			72.4	2.7	1,266.9	157.5	10.6								1,515.8	1,640.5
Other															124.7	
Sub-total	24.7	3,217.3	85.5	2.7	1,897.0	3,028.6	37.8	197.1							8,496.4	8,621.1
7. OTHER																
General administration	135.0	238.0	102.0	242.7	511.0	10,829.7	93.7	204.8	40.8	12.8					3,786.2	16,196.7
Sub-total	135.0	238.0	102.0	242.7	511.0	10,829.7	93.7	204.8	40.8	12.8					3,786.2	16,196.7
8. TOTAL EXPENDITURE	6,090.1	16,647.2	9,471.4	19,123.4	32,042.9	67,308.9	2,483.1	2,483.9	1,497.8	761.6	157,910.2	284,144.1			442,054.3	

Note: Figures in brackets represent an excess of revenue over expenditure.

TABLE 88.-- EXPENDITURES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS ON AGRICULTURE, 1965-66

	Provincial Governments										Federal Government	Total Expenditures
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland		
- thousand dollars -												
1. PRODUCTION ASSISTANCE												
Livestock	145.5	1,173.9	157.5	186.1	848.6	1,467.9	300.1	143.9	126.1	136.1	4,685.7	23,678.4
Crops	122.0	429.9	85.6	251.9	277.1	5,763.3	249.2	169.1	92.7	7.1	7,447.9	11,515.2
Land and water development	1,160.0	3,985.9	4,506.0	13,044.1	976.8	12,266.7	287.8	171.7	210.7	160.0	36,769.7	64,799.7
Farm credit		145.0		541.9	205.8	9,230.0	13.8	71.9	13.7	3.8	10,225.9	14,768.5
Grants to agricultural organizations, fairs, etc.	202.5	399.7	380.9	214.9	613.6	837.8	80.6	42.2	45.8	30.2	2,848.2	4,087.6
Farm labor service	14.2	22.6	3.8	9.2	57.2	12.0		7.9	2.4		129.3	263.0
Sub-total	1,644.2	6,157.0	5,133.8	14,248.1	2,979.1	29,577.7	931.5	606.7	491.4	337.2	62,106.7	119,112.4
2. MARKETING ASSISTANCE												
General	23.1			8.1	250.1	535.1		58.6		111.5	986.5	2,357.5
Grains, feeds and seeds												709.2
Livestock and products	94.0			58.4	1,293.9	748.4	26.4	26.7	42.7		2,290.5	10,499.1
Fruits and vegetables				14.7	579.1	1,326.9	9.0		30.0		1,959.7	3,899.7
Grants to associations, etc.					8.1						8.1	8.1
Other						7.0			20.0		27.0	27.0
Sub-total	117.1			81.2	2,131.2	2,617.4	35.4	85.3	92.7	111.5	5,271.8	17,500.6
3. PRICE SUPPORT AND INCOME ASSISTANCE												
Agricultural Stabilization Board												
Dairy products subsidy												59,262.9
Crop insurance (including PFAA)		61.9	59.0			8,535.5	18.0		7.2		8,560.7	8,560.7
Feed grain subsidy												1,799.5
Temporary wheat reserves												20,850.6
Storage subsidy												40,926.2
Emergency assistance - re adverse weather	985.3	1,242.0			2,848.4	13,678.2	117.3				18,871.2	27,177.6
Compensation: livestock					69.5	20.5					90.0	1,139.7
: crops	2.3										2.3	182.5
Miscellaneous subsidies	10.9				134.8	2,071.7	6.8	54.1			2,278.3	2,278.3
Sub-total	998.5	1,303.9	59.0	218.6	3,052.7	24,305.9	142.1	54.1	42.7		30,177.5	162,178.0
4. EXTENSION												
Sub-total	1,502.4	1,991.8	1,611.0	1,299.6	4,502.4	2,492.7	700.4	825.1	158.5	245.9	15,329.8	16,015.3
Sub-total	1,502.4	1,991.8	1,611.0	1,299.6	4,502.4	2,492.7	700.4	825.1	158.5	245.9	15,329.8	16,015.3

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TABLE 68.- EXPENDITURES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS ON AGRICULTURE, 1965-66 (continued)

	Provincial Governments										Prince Edward Island		Newfoundland		Federal Government Expenditures	
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland	Total	Total	Total	Total	Total	
- thousand dollars -																
5. RESEARCH																
Research stations, demonstration farms, etc.																
Grants in aid																
Other																
Sub-total																
6. EDUCATION																
Schools and colleges																
Grants in aid																
Other																
Sub-total																
7. OTHER																
General administration																
Sub-total																
8. TOTAL EXPENDITURE																



TABLE 89.- EXPENDITURES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS ON AGRICULTURE, 1964-65

	Provincial Governments										Federal Government Expenditures	Total
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island			
									Newfoundland	land		
- thousand dollars -												
1. PRODUCTION ASSISTANCE												
Livestock	145.5	1,092.5	438.5	187.3	739.1	773.9	278.5	137.4	125.6	203.5	4,121.8	22,122.4
Crops	117.2	380.8	116.2	216.7	273.3	5,472.8	251.1	88.1	97.6	6.9	7,020.7	10,801.6
Land and water development	897.6	2,345.8	3,542.7	12,589.2	1,125.7	12,822.7	274.9	122.4	149.5	114.3	33,984.8	66,282.1
Farm credit		142.7		386.9	210.8	7,896.1	13.4	59.1	11.6	3.8	8,724.4	13,061.3
Grants to agricultural organizations, fairs, etc.	194.4	359.5	406.0	209.4	598.5	996.7	82.7	31.6	44.4	85.1	3,008.3	4,035.5
Farm labor service	7.7	22.2	4.0	10.4	10.1	11.8		10.8	3.3		80.3	187.8
Sub-total	1,362.4	4,343.5	4,507.4	13,599.9	2,957.5	27,974.0	900.6	449.4	432.0	413.6	56,940.3	116,490.7
2. MARKETING ASSISTANCE												
General	32.2			7.4	309.8	292.0	19.5	64.2		18.4	743.5	1,675.5
Grains, feeds and seeds											932.0	1,675.5
Livestock and products	74.0			51.8	941.5	58.2	3.0	20.4	43.6		1,039.0	1,039.0
Fruits and vegetables				14.7	552.3	235.4			19.7		7,623.9	8,813.4
Grants to associations, etc.					18.1						825.1	1,849.0
Other						1.8					18.1	18.1
Sub-total	106.2			73.9	1,821.7	587.4	22.5	84.6	63.3	18.4	2,778.0	14,221.9
3. PRICE SUPPORT AND INCOME ASSISTANCE												
Agricultural Stabilization Board												
Dairy products subsidy							18.6				3,540.6	56,522.1
Crop insurance (including PFAA)		40.2	44.4	141.0		3,514.4			7.6		234.9	3,540.6
Feed grain subsidy									9.3			1,608.3
Temporary wheat reserves												18,897.6
Storage subsidy												28,567.7
Emergency assistance - re adverse weather	13.7	.4	122.4	30.0	294.0	1,231.0	226.3				1,917.8	2,420.9
Compensation: livestock					34.2	10.4					44.6	1,512.2
Miscellaneous subsidies	17.2				142.0	2,531.0	22.6	51.9			2,764.7	2,764.7
Sub-total	30.9	40.6	166.8	171.0	470.2	7,286.8	267.5	51.9	16.9		8,502.6	116,069.0
4. EXTENSION												
Sub-total	1,303.8	1,681.4	1,598.5	1,215.9	3,819.9	2,183.1	631.6	763.3	152.9	221.2	13,571.6	14,404.0
Sub-total	1,303.8	1,681.4	1,598.5	1,215.9	3,819.9	2,183.1	631.6	763.3	152.9	221.2	13,571.6	14,404.0

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TABLE 85.- EXPENDITURES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS ON AGRICULTURE, 1964-65 (continued)

	Provincial Governments										Federal Government Expenditures	Total
	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland		
- thousand dollars -												
5. RESEARCH												
Research stations, demonstration farms, etc.		180.3			7,031.3	233.9					7,445.5	34,934.9
Grants in aid	21.1	7.5	4.3	557.5	7.5	1,754.5					2,352.4	3,484.0
Other	126.5	218.5	157.2	49.4	369.2			3.9	14.8		939.5	6,132.9
Sub-total	147.6	406.3	161.5	606.9	7,408.0	1,988.4		3.9	14.8		10,737.4	44,552.1
6. EDUCATION												
Schools and colleges		1,413.1	43.9		410.0	2,945.2	27.2	213.8			5,053.2	5,053.2
Grants in aid			58.3	41.6	3,602.1	110.8	3.9			4.8	3,821.5	3,821.5
Other												
Sub-total		1,413.1	102.2	41.6	4,012.1	3,056.0	31.1	213.8		4.8	8,874.7	8,874.7
7. OTHER												
General administration	111.1	157.0	121.0	222.2	341.8	5,826.0	101.7	149.8	28.1	11.0	7,069.7	8,719.7
Sub-total	111.1	157.0	121.0	222.2	341.8	5,826.0	101.7	149.8	28.1	11.0	7,069.7	8,719.7
8. TOTAL EXPENDITURE	3,062.0	8,041.9	6,657.4	15,931.5	20,831.2	48,901.7	1,955.0	1,716.7	707.9	669.0	108,474.3	323,332.1

In both levels of government there are numerous departments and agencies with programs and expenditures that are in some way related to agriculture. As if to complicate the search for data, some programs were under a different department in each of the three years under review.

When tabulating the expenditures shown in Tables 84 to 89, programs with a more or less common objective were grouped together. The primary function of a branch or agency was used to allocate expenditures to a category where these could not easily be broken down. For example, the expenditures of the Research Branch of the federal Department of Agriculture were assigned to research although some of its officers spend some time advising farmers. Similarly for the Production and Marketing Branch, expenditures were allocated to production and marketing categories but none to extension, although much of the work is of an extension nature.

The estimated cost of government involvement in agriculture during 1966-67 was \$442 million of which \$157.9 million was expended by the provincial governments and \$284.1 million by the federal government. More than 40 per cent of the total was for programs of price support and income assistance. Production and marketing programs accounted for 35 per cent of total expenditure, research, education and extension together took 20 per cent.

In 1966-67, about 50 per cent of the total agricultural expenditure of provincial governments was for production and marketing programs (46 per cent for production and 4 per cent for marketing). Price and income support programs accounted for 15.5 per cent; research, education and extension took 26.5 per cent. Price and income assistance provided by the provinces was larger than usual in 1966-67 because of special dairy subsidies paid in some eastern provinces in the fall of 1966.

Of the agricultural expenditures of the federal government in 1966-67, almost 55 per cent was for price and income support programs; 27 per cent was for production and marketing programs, and 17 per cent for research, education and extension.

On a per farm basis, expenditures by the federal and provincial governments totaled \$1,027, \$367 by the provincial governments and \$660 by the federal government (Table 90). Expenditure per dollar of gross farm income totaled 8.9 cents, 5.7 cents by the federal government and 3.2 cents by the provinces (Table 91). It was not possible to determine the distribution of all items of federal expenditures by province or region. Expenditures that could be allocated either from actual expenditure data or by estimation averaged \$489 per farm in 1966-67; increased from \$348 per farm in 1964-65 (Table 92).

Average expenditures of federal and provincial governments on agriculture per farm for 1966-67 varied between provinces from less than \$700 for Saskatchewan to \$1,800 for Quebec. The provincial share of the average expenditure per farm also varied widely from about 16 per cent for Saskatchewan to about 45 per cent for Quebec, Manitoba and Newfoundland.

Although only the fourth largest in size of total gross farm income, the province of Quebec has much the largest expenditure on agricultural assistance programs, a total of \$72.2 million in 1965-66 and \$67.3 million in 1966-67. Quebec's expenditure averaged \$838 for each farm in the province in 1966-67. Manitoba had the second largest expenditure per farm at \$481. Saskatchewan with the second largest total gross farm income had the smallest expenditure per farm, \$111 in 1966-67.



TABLE 90.- FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURE ON AGRICULTURE PER FARM, SELECTED YEARS  
1933-34 TO 1966-67

	1933-34	1937-38	1943-44	1964-65	1965-66	1966-67
	- dollars -					
Provincial Governments:						
British Columbia	14.27	16.38	17.18	157.64	234.81	319.10
Alberta	10.54	7.18	7.39	113.37	161.17	239.84
Saskatchewan	18.57	140.75	3.91	74.81	83.59	110.54
Manitoba	5.90	9.81	4.95	386.96	413.60	481.13
Ontario	11.22	12.03	32.67	181.99	219.28	291.60
Quebec	34.28	72.15	62.72	565.43	866.19	838.28
New Brunswick	6.82	9.44	13.05	196.72	206.61	285.22
Nova Scotia	9.83	8.61	14.32	159.23	193.32	258.17
Prince Edward Island	3.14	3.60	7.52	104.92	135.61	235.61
Newfoundland				387.15	412.21	445.64
Average	7.34	20.84	18.20	240.71	322.72	366.80
Federal Government	13.38	36.80	187.74 <sup>a/</sup>	476.81	556.41	660.00
All Governments	20.72	57.64	205.94 <sup>b/</sup>	717.52	879.13	1,026.80
a/ \$65.15 if wartime expenditures excluded.						
b/ \$83.35 if wartime expenditures excluded.						

Source: Data for 1933-34, 1937-38 and 1943-44 from Agriculture, Reference Book for Dominion-Provincial Conference on Reconstruction, 1945, page 83.

TABLE 91.- FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES ON AGRICULTURE PER DOLLAR OF TOTAL GROSS INCOME FROM FARMING OPERATIONS, SELECTED YEARS, 1933-34 TO 1966-67

	1933-34	1937-38	1943-44	1964-65	1965-66	1966-67
	- cents -					
Provincial Governments:						
British Columbia	1.4	1.2	0.7	1.7	2.4	2.8
Alberta	1.3	0.5	0.3	1.2	1.5	1.9
Saskatchewan	2.8	30.1	0.2	0.8	0.7	0.8
Manitoba	0.9	0.6	0.2	4.5	4.4	4.9
Ontario	1.2	0.8	1.3	1.8	2.0	2.2
Quebec	5.3	8.0	3.8	9.2	12.4	9.5
New Brunswick	1.5	1.4	1.0	3.5	2.9	3.8
Nova Scotia	1.9	1.1	1.3	3.1	3.3	3.9
Prince Edward Island	0.6	0.5	0.5	1.9	2.1	3.2
Average	2.2	4.4	1.2	2.8	3.3	3.2
Federal Government	1.8	3.3	8.9 <sup>a/</sup>	5.7	5.7	5.7
All Governments	4.0	7.7	10.1 <sup>b/</sup>	8.5	9.0	8.9

<sup>a/</sup> 3.1 cents if wartime expenditures excluded.

<sup>b/</sup> 4.3 cents if wartime expenditures excluded.

TABLE 92.- GOVERNMENT EXPENDITURES ON AGRICULTURE PER FARM, BY PROVINCE, 1964-65, 1965-66 AND 1966-67

	<u>1964-65</u>			<u>1965-66</u>			<u>1966-67</u>		
	<u>Provincial</u>	<u>Federal</u>	<u>Total</u>	<u>Provincial</u>	<u>Federal</u>	<u>Total</u>	<u>Provincial</u>	<u>Federal</u>	<u>Total</u>
		<u>Allocated<sup>a</sup>/ Non Allocated<sup>b</sup></u>			<u>Allocated<sup>a</sup>/ Non Allocated<sup>b</sup></u>			<u>Allocated<sup>a</sup>/ Non Allocated<sup>b</sup></u>	
				- dollars -					
British Columbia	158	163	450	235	238	623	319	386	876
Alberta	113	387	629	161	472	783	240	416	827
Saskatchewan	75	387	591	84	472	706	111	416	698
Manitoba	387	387	903	414	472	1,036	481	416	1,068
Ontario	182	243	554	219	300	669	292	426	889
Quebec	565	455	1,149	866	455	1,471	838	792	1,801
New Brunswick	197	287	613	207	340	697	285	435	891
Nova Scotia	159	287	575	193	340	683	258	435	864
Prince Edward Island	105	287	521	136	340	626	236	435	842
Newfoundland	387	287	803	412	340	902	446	435	1,052
Canada	241	348	718	323	406	879	367	489	1,027

a/ Federal expenditures that could be allocated by province or region. When allocated on a regional basis the same average expenditure per farm is assumed for each province.

b/ Federal expenditures that could not be allocated by province or region. It was assumed that these expenditures were applicable to every farm in the country.

The variation in provincial expenditures on agriculture is related to the agricultural conditions in individual provinces and to the approach to agricultural assistance. In Quebec, a very large part of the expenditure on agriculture consists of payments directly to or on behalf of individual farmers (Table 93). The widespread problems with respect to drainage, soil acidity and fertility, are reflected in large expenditures for drainage and lime and fertilizer subsidies. Quebec has long had a policy of subsidizing interest rates on mortgage loans to individual farmers. This is a major item of expenditure. The importance of the dairy industry in Quebec is reflected also in large subsidy payments to dairy farmers. Quebec and Alberta spent considerably more than other provinces on agricultural education. The large number and variety of agricultural programs in Quebec are reflected in the costs attributed to administration, \$10.8 million in 1966-67.

In Manitoba, water control and conservation programs, which are classified under the heading land and water development, accounted for nearly 80 per cent of the provincial government expenditure on agriculture.

Land and water development programs were also the largest items of expenditure in Saskatchewan, Alberta and British Columbia. In Saskatchewan, these programs were concerned particularly with co-operative and community pasture development, clearing and breaking Crown land under lease and with conservation and development projects including the South Saskatchewan River. Land and water development projects in Alberta include irrigation development, community pastures, drainage and water control projects. Livestock improvement, extension, research and educational activities are also major items of expenditure in Alberta. In British Columbia, land and water development programs included land clearing and flood control projects and ARDA



TABLE 93.- PERCENTAGE OF FEDERAL AND PROVINCIAL GOVERNMENT AGRICULTURAL EXPENDITURES ON DIRECT AND INDIRECT ASSISTANCE TO FARMERS, 1964-65, 1965-66 AND 1966-67

	1964-65		1965-66		1966-67	
	Direct <sup>a/</sup>	Indirect <sup>b/</sup>	Direct <sup>a/</sup>	Indirect <sup>b/</sup>	Direct <sup>a/</sup>	Indirect <sup>b/</sup>
	- per cent -					
British Columbia	2.9	97.1	23.5	76.5	26.3	73.7
Alberta	2.9	97.1	13.2	86.8	12.3	87.7
Saskatchewan	15.9	84.1	7.7	92.3	9.3	90.7
Manitoba	4.0	96.0	4.8	95.2	5.3	94.7
Ontario	5.5	94.5	15.5	84.5	24.1	75.9
Quebec	59.4	40.6	69.4	30.6	58.3	41.7
New Brunswick	9.3	90.7	15.5	84.5	20.9	79.1
Nova Scotia	14.5	85.5	18.3	81.7	23.7	76.3
Prince Edward Island	17.5	82.5	16.6	83.4	36.1	63.9
Newfoundland	13.5	86.5	16.3	83.7	18.2	81.8
Total Provincial Government	30.3	69.7	41.3	58.7	34.4	65.6
Federal Government	57.6	42.4	60.5	39.5	61.3	38.7
All Governments	48.4	51.6	53.5	46.5	51.7	48.3

a/ Includes expenditures associated with price and income support and farm credit programs, quality premiums, lime and fertilizer subsidies, livestock purchase assistance, land clearing and drainage grants, farm pond subsidies, etc.

b/ All other expenditures related to agriculture such as research, education, extension, marketing assistance, disease control, grants to agricultural organizations, fairs, etc.

activities. Assistance in connection with the rehabilitation of orchards damaged by freezing during the winter of 1965 and extension activities were also major items of expense.

In Ontario, expenditures on agriculture are broadly spread over most types of programs. One of the more important areas is land and water development, including farm drainage and the ARDA program. Extension, research and education activities together account for about half of Ontario's expenditures on agriculture. A subsidy to milk producers was an important item of expense in 1966-67, as was payment to compensate for crop losses due to adverse weather.

In the Atlantic provinces most of the agricultural expenditures are accounted for by production assistance programs and extension activities. Crop improvement programs included substantial expenditures for lime assistance and for a subsidy on fertilizer in Nova Scotia and Prince Edward Island. Land and water development projects and ARDA activities were important items of expense in all provinces.

Expenditures on programs that involve direct payments to or on behalf of farmers such as price and income support and farm credit, quality premiums, lime and fertilizer subsidies, livestock purchase assistance, land clearing and drainage grants, farm pond subsidies, etc. make up about half of all government expenditures on agriculture. Federal government expenditures are more heavily weighted to direct assistance, being about 60 per cent of agricultural expenditures. Generally, provincial government expenditures are more on programs that provide indirect assistance such as extension, education, disease control and grants to agricultural organizations. The exception to this is the Province of Quebec where from 58 to 70 per cent of

the expenditure was on programs of direct assistance during the years under review, again reflecting the large expenditures on subsidies to the dairy industry and users of farm credit, lime and fertilizer assistance, and hog and lamb quality premiums.

In terms of dollars, government expenditure on agriculture has increased greatly during the past 35 years, from a total of \$21.6 million or \$21 per farm, in 1933-34 to a total of \$442.1 million, or \$1,027 per farm in 1966-67. As a proportion of farm gross income the change has been from 4 per cent to almost 9 per cent. The expenditure of the federal government increased from 1.8 per cent to 5.7 per cent of farm gross income while that of the provincial governments increased from 2.2 per cent to 3.2 per cent. Although programs in production and marketing have been responsible for much of the long-term growth in government assistance to agriculture, increased demands for costly price and income maintenance programs, particularly since 1958, have resulted in greatly increased expenditures on assistance to agriculture, especially by the federal government.

AN EVALUATION OF GOVERNMENT ASSISTANCE TO AGRICULTURE

Government involvement in agriculture, commonly referred to as agricultural policy, has frequently been the subject of discussion and criticism. In an address to the opening session of the 26th Annual Meeting and Convention of the Agricultural Institute of Canada in 1946, the late Andrew Cairns, an outstanding Canadian economist, then Chief of the Food Division, UNRRA, Washington, stated "... Canada has not yet evolved a Canadian agricultural policy worthy of the name ... My suggestion is that your Institute, in collaboration with the Canadian Federation of Agriculture, should draft an outline of a Canadian agricultural policy and submit it to the Federal and Provincial Governments, together with a request that a Nation-wide preparatory committee be appointed to submit within six months a concrete plan of action for the consideration of the Government of Canada."<sup>1/</sup> In 1968, 22 years later, the 48th Annual Meeting and Convention of the Agricultural Institute of Canada adopted a resolution very similar in intent to that proposed by Mr. Cairns.<sup>2/</sup>

Writing in the Agricultural Institute Review in 1960, Lorne Hurd, then Editor of The Country Guide stated, "Canadian farm policy since 1930, with the single exception of a consistent effort to discover and promote improved technology in farm production, has been largely one of providing expedient measures to meet crises of depression, drought, war, inflation and surpluses. Farm policy objectives have not been clearly established

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<sup>1/</sup> Andrew Cairns, The World Food Situation and Canadian Agriculture, Agricultural Institute Review, Vol. 1, No. 8, November 1946, p. 539.

<sup>2/</sup> Institute Affairs, Resolutions passed by the 48th Annual Meeting, Agricultural Institute of Canada. Agricultural Institute Review, Vol. 23, No. 4, July-August 1968, pp. 26-27.



or pursued. There is little evidence that Canada has had any overall national policy based on clear thinking and economic and sociological research facts."<sup>3/</sup>

Gilson<sup>4/</sup> contends that Canada does not have a truly national farm policy and that a clear idea of what the objectives of such a national policy should be is lacking. He suggests that Canada appears to have a confusing conglomeration of policies and programs, many of which were created in times of emergency, and which have been patched and perpetuated long after the original crisis had disappeared. He questions the effectiveness of a large number of these policies in terms of the present problems of the agricultural industry and proposes that the first need is an identification and evaluation of the goals for Canadian agriculture.

The following statement by Anderson has contributed to a clearer understanding of what is involved in agricultural policy. "The statement that Canada does not have an agricultural policy leaves me wondering what is meant. The reason that I am uncertain of the meaning is that Canada does have a large number of policies pertaining specifically to agriculture, and a number of national policies that affect agriculture. There must be some purpose for the whole structure. I do not suppose, however, that those who say that Canada does not have an agricultural policy mean that there should be only one, or that those now existing should be aggregated somehow into a single agricultural policy. The industry is a large one, and much too complex for any such simplification of public policy. There are commodities, resources, people and business organizations to take into account. It is unlikely that anyone is suggesting that a single approach,

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<sup>3/</sup> Lorne Hurd, Policy Research is Agriculture's Greatest Need, Agricultural Institute Review, January-February 1960.

<sup>4/</sup> J.C. Gilson, Evaluation of Objectives for Agriculture, Agricultural Economics Research Council, Publication No. 12, July 1967.

which might be called the agricultural policy, would be sufficient to satisfy the needs of the industry from the public sector.

The assertion that Canada does not have an agricultural policy probably means that Canada has not defined a firm set of objectives for agriculture against which policy measures can be tested. Interpreted in this way the statement becomes more understandable, because there does not appear to be a stated set of objectives which guides the course of agricultural policy. Furthermore, the evidence from the results of certain policies suggest that some are not achieving the objectives to which they were directed. This by some may be taken to mean that Canada does not have an agricultural policy."<sup>5/</sup>

A number of recent studies have provided a useful background for the formulation of future agricultural policies. In their Review of Agricultural Policy in Canada, Drummond, Anderson and Kerr, referring to the post-world war II period, state: "as in the prewar period, productivity and market promotion continue to hold important places in public policy for agriculture. The pursuit of these policies includes a long list of programs which are designated as separate policies, but which are really programs employed to put the general policy of productivity and marketing into effect. ... The variety and number of programs for market promotion and resource productivity are impressive, but many seem rather trivial and the contribution which they make to agriculture cannot be very great. ... On the other hand there are substantial programs, both Federal and Provincial, to increase the productivity of resources and the competitive

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<sup>5/</sup> W.J. Anderson, Agricultural Policy in Perspective, Agricultural Economics Research Council of Canada, p. 4

position of the industry; programs in this category include research, extension, formal education, control of diseases and improvements of crops and livestock, price stabilization, assistance to marketing, nationally and internationally, and some aid in resource adjustment. These have made important contributions to agricultural productivity and the competitive advantages which the industry enjoys."<sup>6/</sup>

McCalla<sup>7/</sup> points out that an evaluation of agricultural policies and programs must be made in relation to their effectiveness in achieving agreed objectives or goals. Taking as his base the four national goals for the Canadian economy - growth in G.N.P.; distribution of G.N.P.; stability of prices, employment and balance of payments; and efficient resource use, his proposed goals for commercial agriculture at the commodity level are (1) parity of income, (2) stability, and (3) resource use. For the rural non-commercial farm sector, which he refers to as "poverty agriculture", his proposed goals are (1) income and (2) opportunity.

Statements outlining the objectives of the various pieces of legislation which provide authority for Canada's present agricultural programs provide a basis for determining the goals which guided governments, both federal and provincial, in establishing current agricultural programs. As evidenced by the character of most programs, the predominant long-term agricultural goal has been improved and expanded production or productivity. The same fear of variable prices that has made western Canadian wheat producers enthusiastic supporters of an international wheat agreement earlier

<sup>6/</sup> W.M. Drummond, W.J. Anderson and T.C. Kerr, A Review of Agricultural Policy in Canada, The Agricultural Research Council of Canada, 1966.

<sup>7/</sup> Alex F. McCalla, A Review and Appraisal of Agricultural Policies in Canada. Paper presented to CAES, 13th Annual Workshop, Guelph, June 19-21, 1968, p. 6.



gave rise to pressures which resulted in the Agricultural Prices Support Act in 1944 and provided the basis for establishing stability of prices as another goal for agriculture. The broadened objectives of the Agricultural Stabilization Act, which replaced the Agricultural Support Act in 1958, cover stabilization of prices; fair returns for labor and investment in agriculture; a fair relationship between prices received by farmers and the cost of goods and services that they buy; and providing farmers with a fair share of the national income. This together with statements of ministers responsible for agriculture and ARDA indicate an acceptance by the federal government of equitable distribution of income as a further goal for agriculture. A fourth goal, efficient resource use, is one of the basic objectives of the Agricultural and Rural Development Act which provides authority for the ARDA program.

As stated by McCalla, "On the one extreme, if we define agricultural policy as co-ordinated, comprehensive legislation directed towards a single goal (or at least a set of consistent and complementary goals) for the agriculture subsector, it is clear that Canada has no agricultural policy. On the other extreme, if we define agricultural policy as any policy that has direct or indirect effects on agricultural goals, then most, if not all, of Canadian economic policy is 'agricultural policy'. The definition I shall adopt is somewhere between these extremes. 'Agricultural policy' will be considered as the adoption of means whose primary objectives are agricultural goals. ...".<sup>8/</sup> McCalla's approach will be used in this evaluation of Canadian agricultural policies.

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<sup>8/</sup> Ibid, pp. 5-7.



### APPRAISAL OF AGRICULTURAL PROGRAMS

A complete evaluation of the assistance provided to agriculture by the federal and provincial governments cannot be made on the basis of information available. The brief description of assistance programs contained in the foregoing chapters provides a useful picture of government agricultural assistance. However, details with respect to the operations of individual programs and means of measuring their achievements which would be required for a detailed policy appraisal, are not available. The information available, however, does provide a basis for general comment on the various approaches to assisting agriculture and for suggesting some alternative approaches which may serve as guide lines in future policy formulation.

Agricultural programs will be reviewed under the three broad categories already referred to: (1) those intended to facilitate the production and marketing of farm products, (2) those concerned with producer price and income maintenance and (3) programs of research, education and extension.

#### Production and Marketing Assistance

As shown in Table 82, the combined government expenditure for programs to assist production and marketing in 1966-67 was \$156 million, amounting to 35 per cent of total government expenditures on agriculture for that year. Comparable expenditures in 1937-38 were \$20 million. Programs in this area are directed toward an expansion in agricultural output. The changes which have occurred in the physical volume of agricultural production and in gross farm income since pre-world war II for Canada and each province provide an indication of the growth in the agricultural sector. The growth of agriculture as measured by the index of the physical volume of agricultural

production from 1940 to 1967 is highly variable from year to year and also between provinces. The increase amounted to 60 per cent for Canada and among the provinces showed an increase in output as high as 85 per cent for Alberta and a decrease of 8 per cent for New Brunswick (Table 94). Growth in the agricultural sector as measured by farm gross income, is presented in Table 95 for the period 1933-67. This table shows that the agricultural sector has made a major contribution to growth of the G.N.P. It also shows a high degree of variation in the farm gross income as between provinces from year to year.

Growth in agricultural output is of course, the result of a combination of factors. These include changes in the structure of agriculture, the area of land being farmed, the number and size of units, the type of products being produced, changes in intensity of operation as measured by increased capital inputs, changes in productivity resulting from crop and livestock technology, the application of management skills and finally the influence of market forces on prices received for products produced and on costs of purchased inputs. In their recent article on The Structure of Canadian Agricultural Production, Andal and Ablasser state, "As in other industries, the agricultural structure today is highly complex. It is greatly influenced by forces operating in the farm product markets as well as by changing development and organization of the farm input industries. The increasing variety of advanced non-farm produced inputs and a rapidly growing farm technology, together with the upgrading of farm management skills which these imply, have resulted in dramatic changes in the structure of agricultural production."<sup>9/</sup>

<sup>9/</sup> M.E. Andal and Gottfried Ablasser, The Structure of Canadian Agricultural Production, Agricultural Institute Review, May-June 1968, p. 23.

TABLE 94.- INDEX NUMBERS OF THE PHYSICAL VOLUME OF AGRICULTURAL PRODUCTION, CANADA AND PROVINCES, 1940-1966  
(1949 = 100)

Year	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Canada <sup>a/</sup>
1940	69	121	89	111	91	106	131	154	76	113
1941	62	108	76	95	89	102	86	103	64	91
1942	81	128	88	112	105	138	202	190	74	143
1943	68	120	104	105	80	115	102	99	74	95
1944	78	140	106	116	98	111	153	128	90	119
1945	78	100	82	91	88	90	100	98	82	93
1946	76	123	92	95	96	111	118	127	96	108
1947	81	103	90	97	91	102	102	124	93	101
1948	84	104	94	102	96	114	107	122	91	105
1949	100	100	100	100	100	100	100	100	100	100
1950	92	103	96	108	99	112	129	116	91	110
1951	77	94	80	107	103	115	156	150	93	122
1952	97	106	86	114	106	130	205	167	105	140
1953	99	106	92	108	105	110	176	160	112	130
1954	96	116	84	110	106	92	90	122	112	104
1955	96	114	91	118	107	104	165	148	110	127
1956	95	113	92	117	109	131	182	164	113	136
1957	100	111	88	118	115	104	119	131	117	117
1958	99	109	86	124	128	127	124	150	120	128
1959	90	111	80	124	122	120	128	155	127	127
1960	89	112	85	124	123	123	160	146	131	134
1961	93	119	87	133	134	84	74	145	139	116
1962	94	124	89	142	140	146	165	157	148	148
1963	95	126	86	143	140	127	222	182	150	162
1964	104	124	91	144	148	156	149	175	164	151
1965	97	125	90	148	148	164	184	188	156	162
1966	111	130	100	156	156	157	238	219	174	182
1967	103	132	92	162	154	164	153	185	174	160

<sup>a/</sup> Excludes Newfoundland.

Source: Index of Farm Production, 1967, Cat. No. 21-203, Dominion Bureau of Statistics, Ottawa.



TABLE 95.- FARM GROSS INCOME, CANADA AND PROVINCES, 1933-1967

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Canada
1933	26,981	77,603	91,686	37,160	174,453	90,246	15,114	20,117	6,499	539,859
1934	27,655	110,583	108,402	51,622	209,465	104,547	16,408	20,635	7,269	656,586
1935	29,886	105,967	143,294	46,732	218,255	109,586	18,156	22,707	7,835	702,418
1936	32,384	98,583	132,985	56,063	223,671	121,584	20,801	24,246	9,340	719,657
1937	35,361	145,311	66,058	101,886	264,569	133,306	21,768	27,044	9,556	804,859
1938	35,936	164,387	136,749	75,525	258,249	133,354	20,139	26,250	8,485	859,074
1939	37,273	149,404	214,447	77,117	267,330	145,700	21,856	21,811	9,414	944,352
1940	38,754	176,768	212,880	85,465	271,144	153,393	23,541	22,584	9,650	994,179
1941	43,433	157,259	185,367	102,756	316,246	176,594	26,581	25,315	10,444	1,043,995
1942	53,137	316,887	447,117	156,096	434,599	218,173	33,871	37,392	14,813	1,706,420
1943	67,361	224,147	308,360	161,199	440,130	252,330	40,932	37,184	17,854	1,549,705
1944	77,772	319,441	508,411	170,348	493,635	273,621	42,246	39,184	17,385	1,942,043
1945	81,723	253,613	342,389	144,687	499,879	260,859	42,803	35,798	19,339	1,681,090
1946	85,647	334,552	438,061	185,948	537,388	292,886	44,928	43,585	18,708	1,981,703
1947	94,316	380,240	450,759	205,303	603,318	324,944	48,146	41,539	21,130	2,169,697
1948	103,287	477,197	599,301	281,954	731,751	386,124	54,115	44,636	25,728	2,704,093
1949	106,874	434,884	603,165	251,315	729,059	367,831	52,632	43,751	25,960	2,615,471
1950	100,267	405,664	530,277	239,143	779,725	387,280	52,337	45,477	25,047	2,565,437
1951	123,073	627,891	823,001	308,836	910,906	463,597	56,881	53,121	30,265	3,397,571
1952	126,903	604,079	924,598	294,525	849,940	461,588	64,245	55,640	41,142	3,422,746
1953	130,950	556,537	793,944	248,110	824,308	428,424	51,649	52,532	28,166	3,114,620
1954	128,877	427,014	427,123	200,739	799,456	424,012	49,700	54,250	26,886	2,538,057
1955	124,646	457,093	637,379	220,452	790,012	435,096	50,894	51,488	29,498	2,796,552
1956	131,874	514,115	726,163	267,411	833,755	443,900	54,902	52,760	30,128	3,055,008
1957	134,493	437,203	499,084	210,946	871,085	445,904	50,431	51,544	29,483	2,730,173
1958	140,657	540,845	572,242	273,103	971,203	482,100	49,884	51,853	30,926	3,113,013
1959	148,737	530,282	574,626	252,113	941,152	480,584	48,518	52,961	29,862	3,058,835
1960	151,002	524,171	702,815	266,973	966,588	477,319	54,803	52,371	34,110	3,230,152
1961	157,059	546,151	452,814	212,356	1,014,704	491,927	48,415	54,567	28,835	3,007,658
1962	171,069	640,253	855,322	339,517	1,064,071	518,986	47,904	54,030	36,636	3,719,788
1963	174,006	678,296	982,642	292,635	1,089,467	525,787	48,383	55,495	30,944	3,877,655
1964	181,034	658,432	787,351	356,028	1,135,265	532,371	55,917	55,085	37,043	3,798,446
1965	183,123	747,464	980,827	380,260	1,239,575	582,955	66,626	59,767	42,778	4,289,375
1966	217,095	879,295	1,143,616	388,921	1,434,032	708,712	66,068	63,668	45,996	4,947,405
1967	220,524	825,372	951,811	429,972	1,451,550	714,768	55,655	63,841	37,754	4,751,247

- thousand dollars -

Sources: Dominion Bureau of Statistics, Handbook of Agricultural Statistics, Part II, Farm Income - 1926-65, Cat. No. 21-511, and Farm Net Income, 1967, Cat. No. 21-202.



Farms are fewer in number and much larger, requiring more outside capital. An increased volume of inputs, a greater proportion of which are produced off the farm, are combined differently and more efficiently than in the past to produce a greater volume of the various farm products. Labor inputs have declined and been replaced by increased investments in machinery. Among the capital inputs, fertilizer, lime, purchased feed and seed, machinery and equipment have registered spectacular increases.

It is against this changed agricultural structure that the effectiveness of current agricultural programs must be assessed. Many livestock and crop improvement programs designed to protect farmers in general from losses resulting from the spread of animal and plant diseases, weeds, insects and other pests provide essential services on a national and regional basis and would seem logically to be a continuing responsibility of government, whether at the federal or provincial level.

With respect to other livestock and crop improvement programs, answers should be sought to a number of pertinent questions: How many of those livestock improvement programs which made a useful contribution to assisting the small farms which predominated 30 years ago, are adequate to meet the farmer's needs of tomorrow? Should separate programs be developed for commercial and non-commercial farms? Should programs such as R.O.P. which are designed to improve the breeding stock on participating farms be self-supporting, and if so, what is the role of government as regards such programs?

Is the federal government justified in continuing over a period of years to pay nearly \$9 million annually, on quality premiums on cheese, lambs and hogs which were designed initially to provide an incentive to encourage

cheese factories and farmers to produce a type or quality of product required for new market outlets? Should not the market provide sufficient differential in prices based on appropriate quality standards to bring to the market an adequate supply of the types and qualities of products desired?

Should governments divest themselves of programs involving the subsidization of production inputs associated with the provision of breeding stock, the purchase of fertilizer or interest payments? Should more programs be carried out and paid for by farmers themselves (e.g. Canadian Seed Growers Association, Crop Improvement Associations) with some financial assistance being provided on a grant basis?

While recognizing the contribution which has been made in the past through a multiplicity of livestock and crop improvement programs, it is suggested that, apart from those essential services involved in maintaining a healthy animal population and in protecting crops from diseases, weeds and insects, the principal approach should be the improvement of the farm as an economic operating unit. In this connection, the organization of a national farm management committee in 1968 to direct the development and operation of a national electronic mail-in farm record system and to assist in making a farm management service available to individual farmers represents an important milestone in assistance to agriculture. It is to be hoped that this may be one of a number of national agricultural committees which will overcome the handicaps of provincial boundaries and governmental jurisdictions.

The enthusiastic support extended to ARDA following its establishment in 1961 reflects a general awareness of the importance of resource development in relation to the rural areas and agriculture in particular. The Prairie Farm Rehabilitation Act was an important factor in the restoration of the

drought afflicted and eroded soil areas of the Prairie Provinces. It has also provided for a more rational utilization of the land resources of this area and for the establishment of community pastures, farm dugouts, dams and irrigation projects. The Maritime Marshland Rehabilitation Act provided for the reclamation and development of marshlands in Nova Scotia and New Brunswick through the reconstruction of dykes, aboiteaux and breakwaters. As a result of this work, the acreage protected from flooding has increased from 20,000 to more than 81,000 acres. In the case of these lands as well as the lands adjacent to irrigation projects in the Prairie Provinces, there is little evidence that the improved facilities have been exploited to a point where the increased returns would equal the anticipated potential or would justify the capital input by the governments concerned.

It is to be hoped that future undertakings of this kind will make adequate provision for ensuring that their application at the farm level will be carried to its full fruition and will be reflected fully in the farm structure and farm income of the particular area.

A unique feature of ARDA is the negotiation of basic agreements between the federal and provincial governments covering resource-oriented development programs adapted to the needs and objectives of individual provinces. Unlike PFRA or MIRA which were largely federally-executed projects, under ARDA, in most cases, the responsibility for initiating and carrying out the projects falling within the scope of the negotiated federal-provincial agreement falls to the provinces. A new approach launched in 1966 provides for comprehensive regional development programs based on co-ordinated research and planning. While the results of this approach cannot be appraised for some years, it would appear to be commendable in principle.



In 1967, Buckley and Tihanyi studied the economic impact of ARDA, PFRA and MMRA, particularly on the low income groups of rural Canada.<sup>10/</sup> With respect to PFRA, they conclude that early PFRA programs were effective in halting destruction of the soil but that the income added through PFRA programs, although widely distributed, has not had a significant impact on the income of the small farmer because his physical resources on which PFRA assistance is based, are too few. The study "finds no evidence that the now completed MMRA program has resulted in extensions to marshland agriculture or in more intensive utilization of the protected lands". Turning to the ARDA program, they point to a gap between early ambitions and the scope of the ARDA program up to 1966 as measured by funds spent. They also criticize the contention on which much of the ARDA program is based, that improvement in land use and development of soil and water resources are appropriate measures for raising rural incomes. They also emphasize the need concurrently to further the labor force adjustment process in the rural economy.

If Buckley and Tihanyi base their criticism on the contention that improvement in land use and development of soil and water resources are appropriate measures for raising rural incomes in the short-run their point is well taken. However, the benefits of land use and resource development projects are long-run and it must surely be conceded that over the long-run they provide a very real basis for improved rural income. Provincial resource development programs have been concerned to varying degrees with land settlement, land clearing, drainage, irrigation and water control, community pastures and farm consolidation. In principle, there would seem to be an important and justifiable role for governments in assisting farmers to make the most effective use of resources and to overcome natural factors which

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<sup>10/</sup> Helen Buckley and Eva Tihanyi, Canadian Policies for Rural Adjustment. Economic Council of Canada, Economic Study No. 7.



limit productivity. Land drainage and correction of soil acidity by the application of limestone are recognized as essential keys to increased productivity for most of Quebec and the Atlantic Provinces. Consideration might well be given to federal-provincial assistance in long-term capital improvement programs such as land clearing and levelling, liming and drainage to make available to farmers in these regions a potential productivity comparable with other areas.

Farm Credit - The total amount of credit extended to farmers by all government agencies is estimated to represent over 15 per cent of all credit, and up to 70 per cent of the long-term credit, supplied annually to farmers.<sup>11/</sup> This increasing involvement of governments in supplying the capital needs of agriculture resulted, in part, from a virtual withdrawal of commercial mortgage lending agencies from agricultural lending following legislation providing for moratoria and compulsory adjustment of farm mortgage debt during the 1930's and also from increases in capital investment per farm. "In Canada, the current value of farm assets more than doubled between 1951 and 1966 and reached an all-time high of more than \$19 billion in 1966. Farm real estate accounted for 70.3 per cent of total assets, machinery and equipment 17.6 per cent, and livestock 12.1 per cent in 1966."<sup>12/</sup>

Amendments introduced in the House of Commons in October 1968 continue a long list of changes introduced over a period of years, particularly in size of loan. Provision is made for an additional loan under the Farm Improvement Loans Act of up to \$15,000 for the purchase of land and a maximum for such loan in combination with loans for purposes previously covered in the legislation amounting to \$25,000. Proposed amendments to the Farm Credit Act

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<sup>11/</sup> R.S. Rust, Farm Credit Legislation in Canada, Canada Department of Agriculture, Publication 1360, 1967, p. 2.

<sup>12/</sup> Andal and Ablasser, op. cit., p. 24.

take into account the existence of more than one operator in a farm corporation or partnership and increase the maximum loan to \$100,000 for three or more operators (two or more under Part III). They would also allow for a loan of up to 90 per cent of the value of real estate and chattels under Part III of this Act as compared with 75 per cent at present. For both Acts, proposed amendments would remove the current statutory ceiling for interest rates and provide authority for interest rates to be established by the Governor in Council.

Provincial farm loan programs were established in 1936 in the case of Quebec and during the 1950's by most other provinces. Many of these programs are designed primarily to assist young men to become established in farming. All provide for an element of subsidy in interest rates, the greatest being in Quebec where not only are the provincial farm loans at  $2\frac{1}{2}$  per cent interest but also a subsidy is paid to farmers who have loans from the Farm Credit Corporation to reduce their interest payments to  $2\frac{1}{2}$  per cent. In 1967, provincial government farm credit agencies held 8.6 per cent of the farm credit outstanding and also provided 2.9 per cent of the farm credit extended in that year. It would seem that they make for unnecessary duplication of services provided by the F.C.C. and that the concept of a national approach to government farm credit should be followed. In this connection the Province of Manitoba has already withdrawn from long-term mortgage lending.

Government farm credit agencies have played a major role in financing agriculture (Tables 21 and 22). The Farm Credit Corporation has borne the main responsibility of providing farmers' long-term credit requirements and has been highly successful in adjusting its program to the changing financial needs of farmers. The supervisory services provided in conjunction with

Part III loans are the forerunner of a type of farm management service which will find general application in the years ahead.

Within the terms of the Farm Improvement Loans Act, Canadian chartered banks have provided over 40 per cent of the intermediate term farm credit and about 10 per cent of the total farm credit requirements since 1960 (Table 21). Claims paid by the federal government in connection with the FILA guarantee, at about 0.1 per cent of the credit extended during the period 1945 to 1967, have been insignificant. Short term credit extended direct to farmers by banks outside the provisions of the FILA is estimated to make up about 30 per cent of the total credit extended to farmers, and is the principal type and source of borrowed farm capital. Recent developments whereby some banks are engaging a well qualified agricultural staff and developing a line of credit adapted to the needs of farmers, suggests that the traditional reluctance of banks to become involved in the financing of farming operations has finally been overcome. It is suggested, however, that a continuing government guarantee under the FILA may provide farmers with some assurance that banks will continue to meet their credit needs during less favorable circumstances. The proposed extension in the purposes for which farm improvement loans can be made and the increase in amount of dual-purpose loans should further increase the usefulness of this legislation.

Reference has already been made to the need for separate policies and programs for commercial and non-commercial farms. This need is perhaps greater in connection with farm credit than for other types of programs. The Veterans' Land Act has been involved in financing the organization and operation of small farms, many of which have been converted into viable economic units



under the guidance of V.L.A. supervisors. With a falling off of the volume of work on veterans' loans, consideration should be given to using this agency to provide a supervised loans program for marginal farmers, similar to that of the Farmers Home Administration under the United States Government.

On the basis of the rate of increase in the volume of farm credit extended since 1960, it would seem reasonable to expect a continuing increase in credit requirements of at least 10 per cent a year (Table 21). On the basis of such a projection, consideration needs to be given to future sources of capital for farming. Should governments continue to finance commercial farming? Are commercial lending institutions likely to re-enter the long-term farm mortgage field? Should a government guarantee similar to that used in connection with the farm improvement loans act be used to tap the commercial financial market to finance farming? What means can be used to limit the risk and personal financial liability of the individual farm operator? Would increased corporate ownership of farms facilitate public financing through sale of stock or bonds? These and many other questions require careful study as a guide to future farm credit policies.

#### Marketing Assistance

Marketing assistance programs which include market promotion, the control of marketing facilities, and the provision of grading and inspection services are activities which require government involvement. In most instances, they form an integral part of the production process, even though performed outside the farm boundaries. The manner in which such marketing services are carried out can have a marked effect on the price received by the farmer and should, therefore, be under continuous review and study. In this connection, there is need for a much greater research effort to keep informed of the



requirements of markets both at home and abroad and to develop improvements in grading and in merchandizing methods which will ensure that the producer obtains maximum advantage in the pricing process.

Many improvements in assembly and merchandizing of fresh fruits and vegetables need attention if Canadian products are to compete successfully with the imported product which is available in uniform carlots from the United States.

Our grades for various products should be reviewed from time to time to ensure that the factors determining grades are such as to command a price differential in the market. In this connection, particular mention might be made of the new grading system for hogs.

Action should be taken to ensure that the system of grades for wheat for export, which has served Canada so well over many years, is amended as necessary to provide Canadian wheat with maximum competitive advantage in connection with such characteristics as protein for which Canadian wheat is famous.

#### Producer Price and Income Support Programs

Producer price and income support programs include producer marketing programs, price and income maintenance activities and supplementary income assistance and must be appraised from the point of view of the combined goals - price stability and equitable income distribution.

#### Producer Marketing Programs

As a back-drop to a consideration of price and income maintenance, attention is directed to Figure 1 which compares graphically the course of general wholesale prices, farm prices and farm costs over the period 1948

to 1967. In addition to a considerable variation in the index of farm prices, this chart shows that farm costs have been rising fairly rapidly during the past decade as compared with farm prices. It is this adverse relationship between prices and costs reflected in a lack of stability of purchasing power of farm products which is a primary concern of farmers and has stimulated the development of co-operatives and marketing boards as well as price support legislation in a search for a solution.

Producer marketing boards have evolved because of the limited effectiveness of "voluntary" co-operative marketing organizations in price-making. The changing market structure, with its concentrated market power and high volume operating efficiency, demands collective action by groups of producers which can accept contract undertakings with respect to product specifications relating to quantity, quality and distribution of deliveries in return for market security as regards price and volume. Such undertakings can be carried out on behalf of producers by statutory boards like the Canadian Wheat Board, which have been provided with monopolistic powers, or they can be carried out by producer marketing boards. The Canadian Wheat Board has done an excellent job of marketing, on behalf of producers, a product which is highly uniform easily handled and stored and which for the most part finds an outlet in export markets. For the many other farm products which are produced in varying amounts in different areas of the country and are marketed wholly or largely in Canada, local producer marketing boards whose operations are co-ordinated by a national board or commission would seem advantageous. In looking at the need for and the means of providing for a national co-ordinating mechanism for producer boards, consideration might also be given to the desirability of instituting a more active and

comprehensive supervisory function under the Agricultural Products Marketing Act. In this connection also, consideration should be given to incorporating, with suitable amendments, the provisions of the Agricultural Products Co-operative Marketing Act into the Agricultural Products Marketing Act to facilitate through a guarantee of initial payments, commodity storage and the orderly marketing operations of producer boards.

#### Price and Income Maintenance Programs

The foregoing review of price and income maintenance programs has indicated that during the period 1958-59 to 1967-68, \$547.4 million or about 80 per cent of the federal government expenditures on price and income maintenance have been paid to or on behalf of producers of milk and cream used for manufacturing. The dairy support program which has consisted of a combination of purchase programs for butter, cheese and dry skim milk, and subsidy payments on casein and on milk and cream for manufacturing, buttressed by import controls on all dairy products except certain foreign type cheese, has developed into a welfare or income transfer program and is therefore not comparable with price maintenance programs instituted for other commodities. In addition to the expenditure of \$547.4 million for the 10-year period, the real cost of the dairy program to the economy would, of course, include the difference between the cost to consumers for purchases of butter, cheese and other dairy products at domestic prices and the cost of similar products if imported. While providing an average income transfer of about \$3,000 to each producer of manufactured milk and cream over the 10-year period, the dairy program has in the main tended to postpone rather than promote those adjustments in the use of resources which are essential to the long-term economic well-being of the industry. The following statement by Drummond, Anderson and Kerr has



particular application to an evaluation of Canadian dairy policy. "Price supports for purposes of income maintenance reduce the incentive to adjust production to market requirements. Thus, price supports at a level which will maintain income, contribute to high cost by holding resources in uses where their productivities are less than their capabilities. ... The other approach to farm income would be to view it as a problem in the use of resources rather than one of commodity prices.<sup>13/</sup>

An evaluation of the price support operations under the Agricultural Stabilization Act requires, in the first instance, an examination of the basis prescribed for the establishment of the "base price" and the "prescribed price" of an agricultural commodity. The Act provides that the base price of an agricultural commodity shall be the average price at representative markets for the 10 years immediately preceding the year in which the base price is established.

It also provides that the prescribed price shall be established at such percentage of the base price as the Governor in Council shall prescribe, except that for any of the nine "named" commodities (cattle, hogs, sheep, butter, cheese, eggs, and wheat, oats and barley not under the Canadian Wheat Board Act). The percentage shall not be lower than 80 per cent. Provision is made also that in prescribing a percentage of the base price, the Governor in Council shall be guided by the estimated average cost of production of the particular commodity and other relevant factors.

A graphic comparison of the support price, the 10-year average base price, the 5-year average price and the annual price for the period 1948-68 for wheat, steers, hogs, cheese, eggs, soybeans and honey is presented in

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<sup>13/</sup> Drummond, et al., A Review of Agricultural Policy in Canada. The Agricultural Research Council of Canada, Publication No. 1.



## SELECTED INDEXES

FARM COSTS, FARM PRICES, GENERAL WHOLESALE PRICES, CANADA, 1948 to 1967

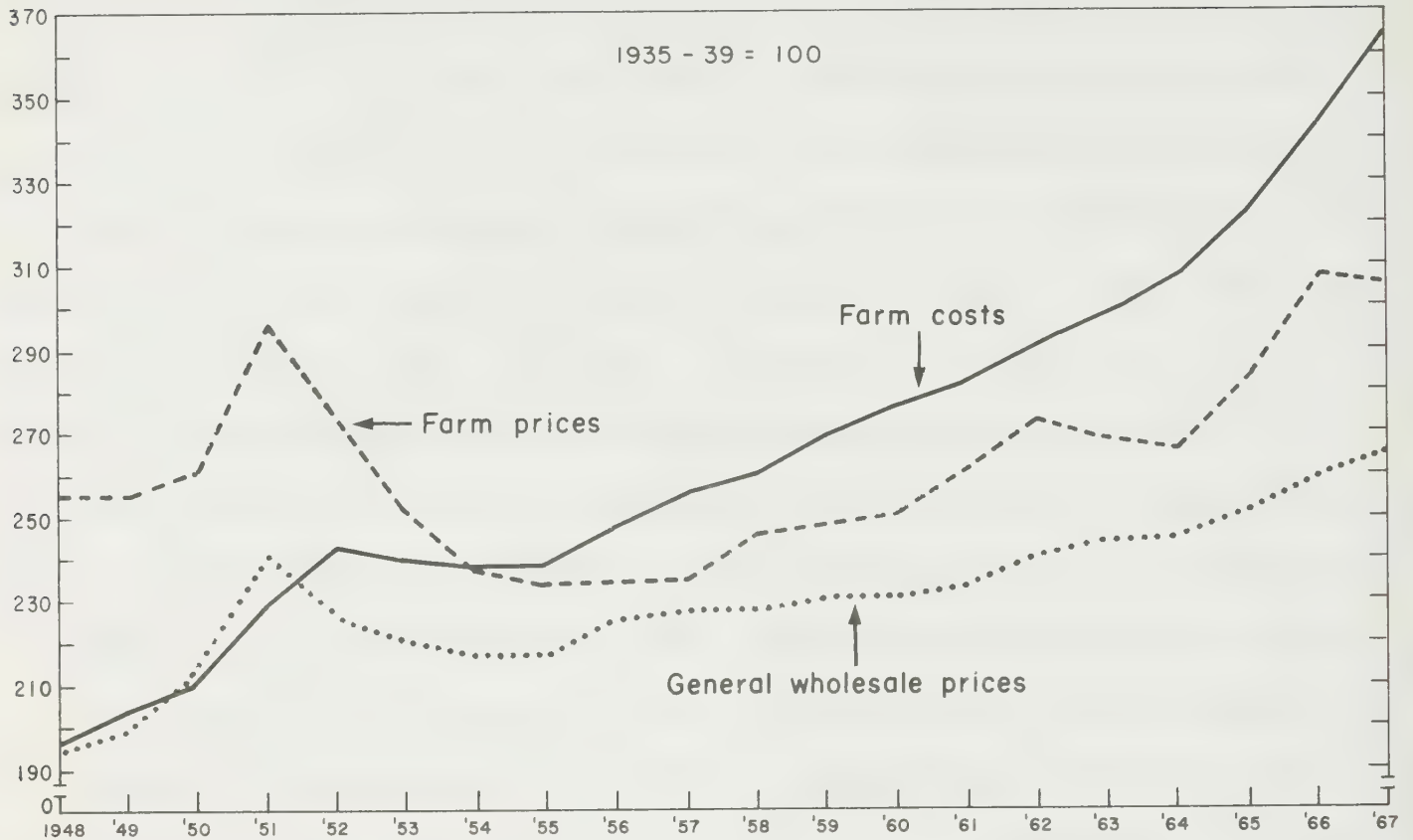


FIGURE 1

## WHEAT

PRICES FOR ONTARIO WINTER No. 2 C.E. f.o.b. SHIPPING POINTS, 1948 to 1968

DOLLARS PER BUSHEL

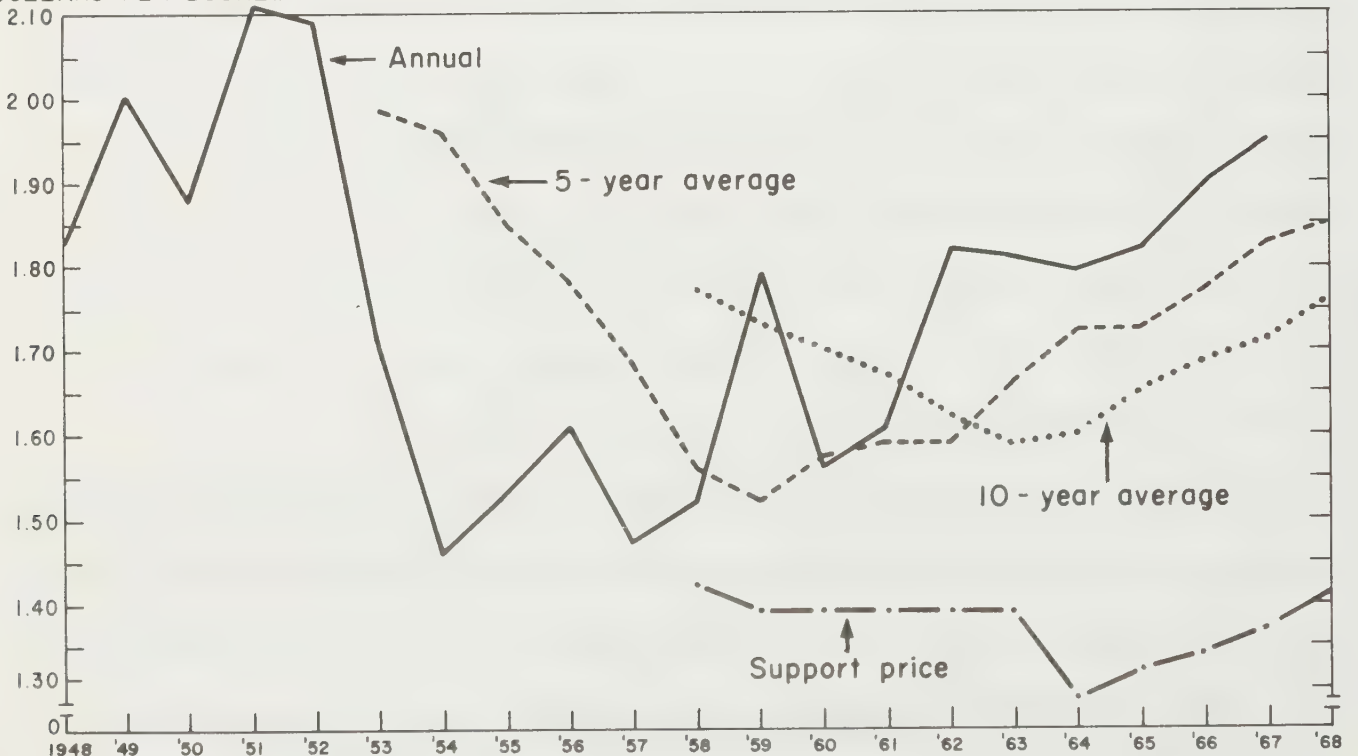


FIGURE 2

## GOOD STEERS

PRICES, LIVE, TORONTO STOCKYARDS, 1948 to 1968

DOLLARS PER 100 POUNDS

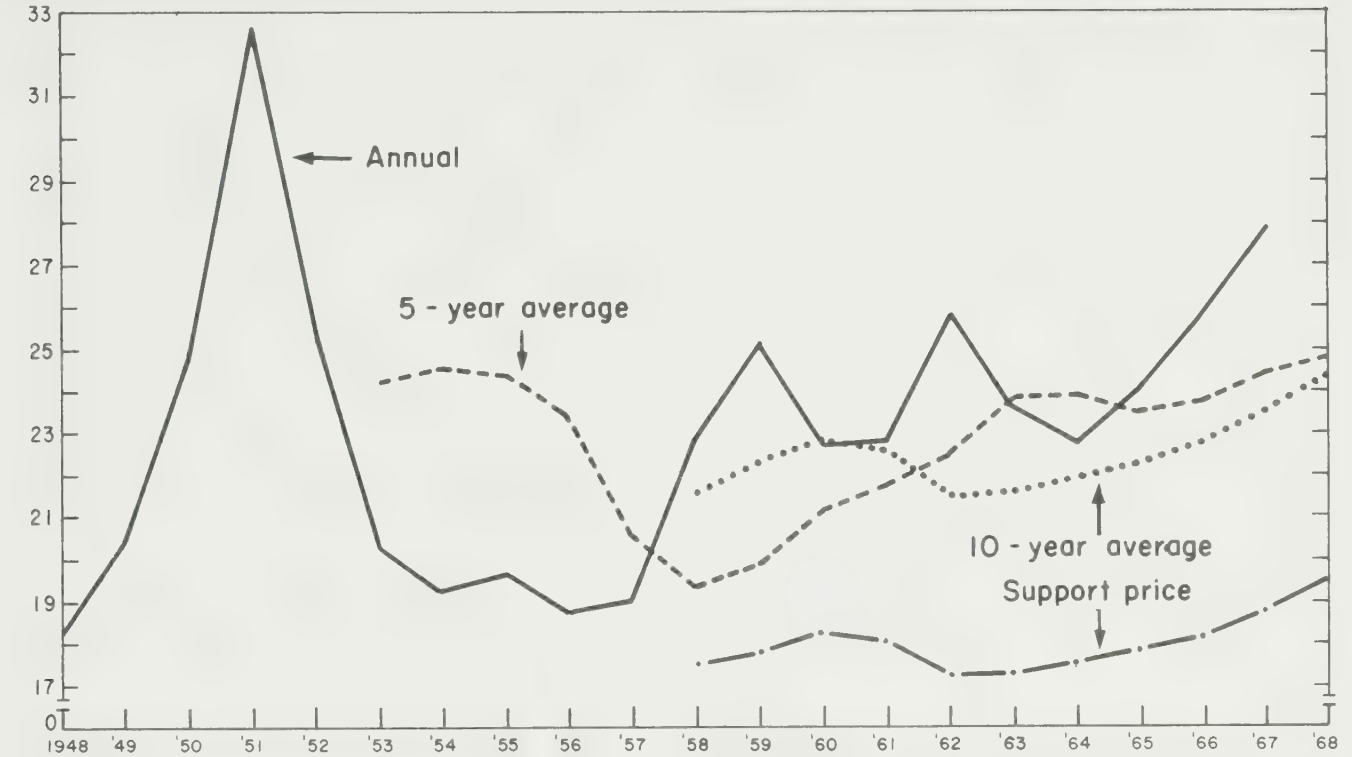


FIGURE 3

## HOGS

PRICES FOR GRADE A CARCASSES, CANADA, 1949 to 1968

DOLLARS PER 100 POUNDS

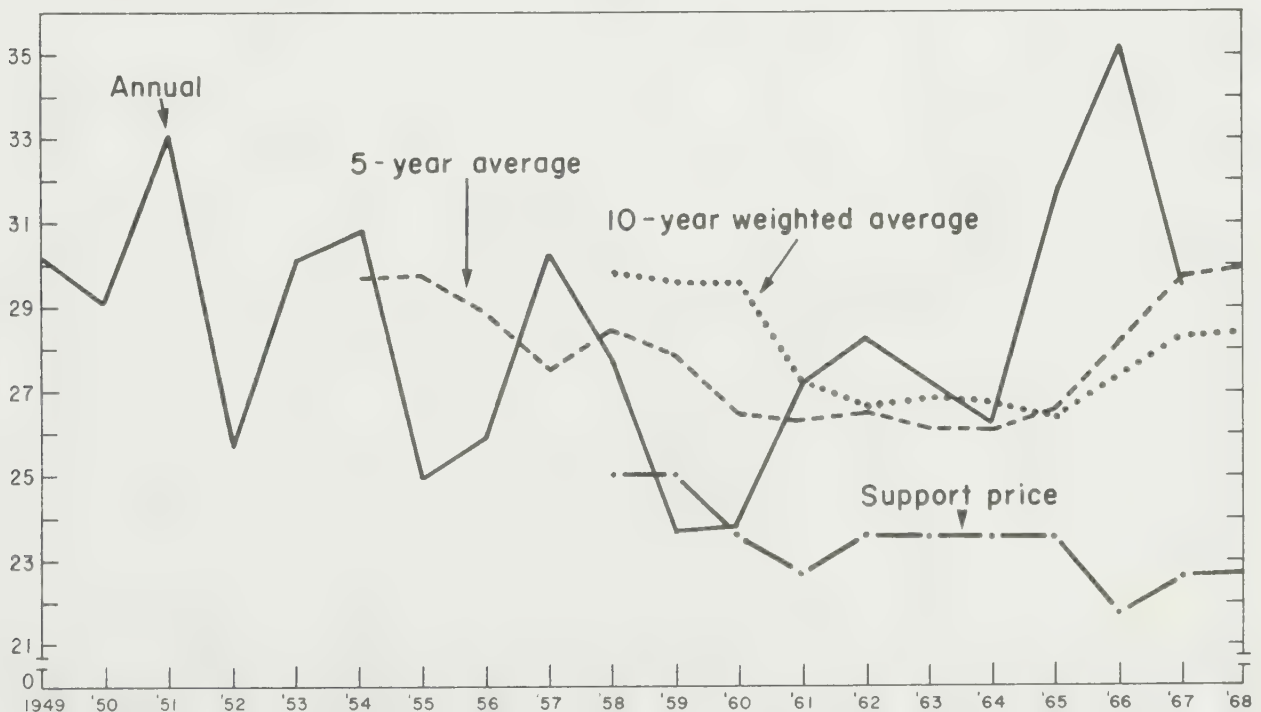


FIGURE 4

## CHEDDAR CHEESE

PRICES FOR CANADA FIRST GRADE WHITE CHEDDAR, MONTREAL AND BELLEVILLE,  
CENTS PER POUND  
1948 to 1968

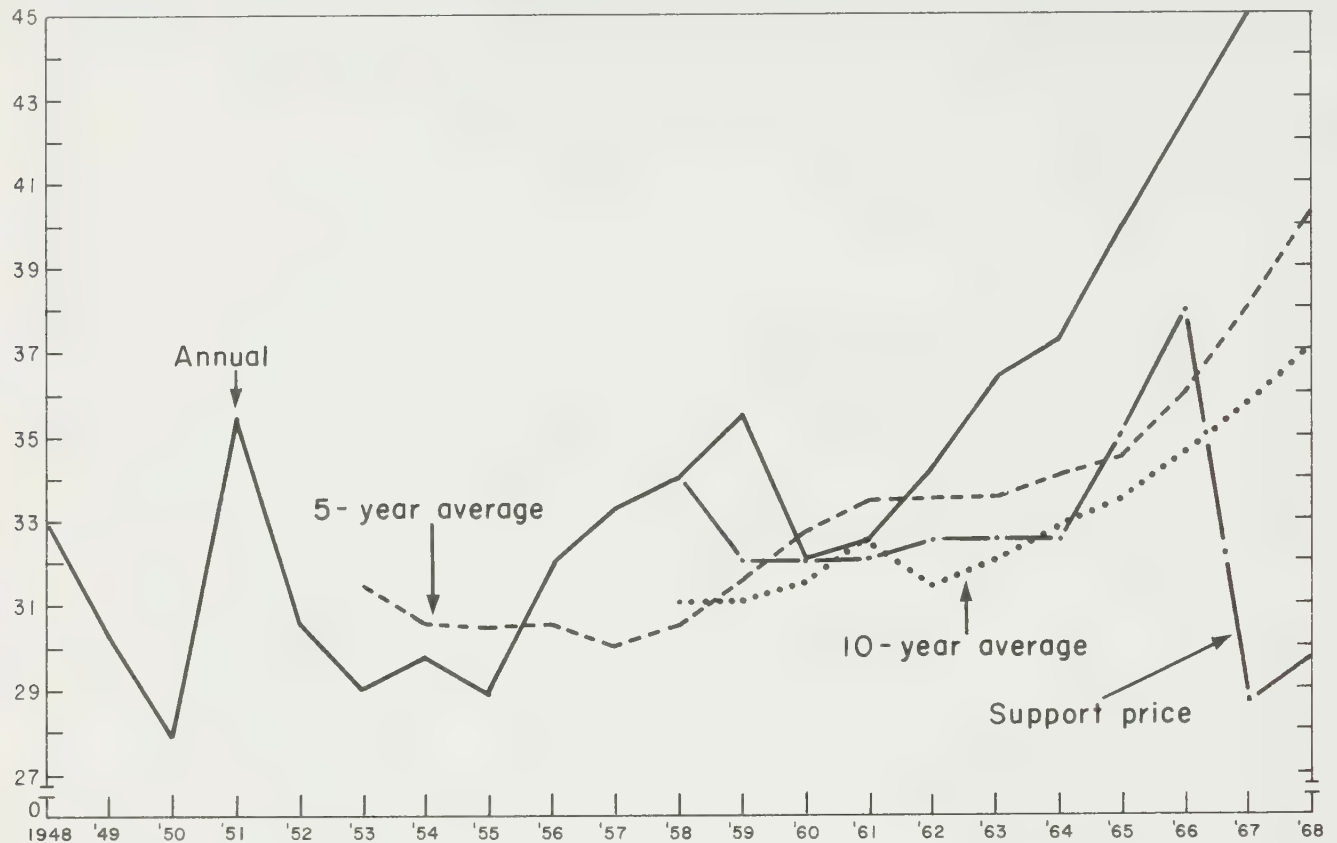


FIGURE 5

## EGGS

PRICES FOR GRADE A LARGE, CANADA, 1949 to 1968

CENTS PER DOZEN

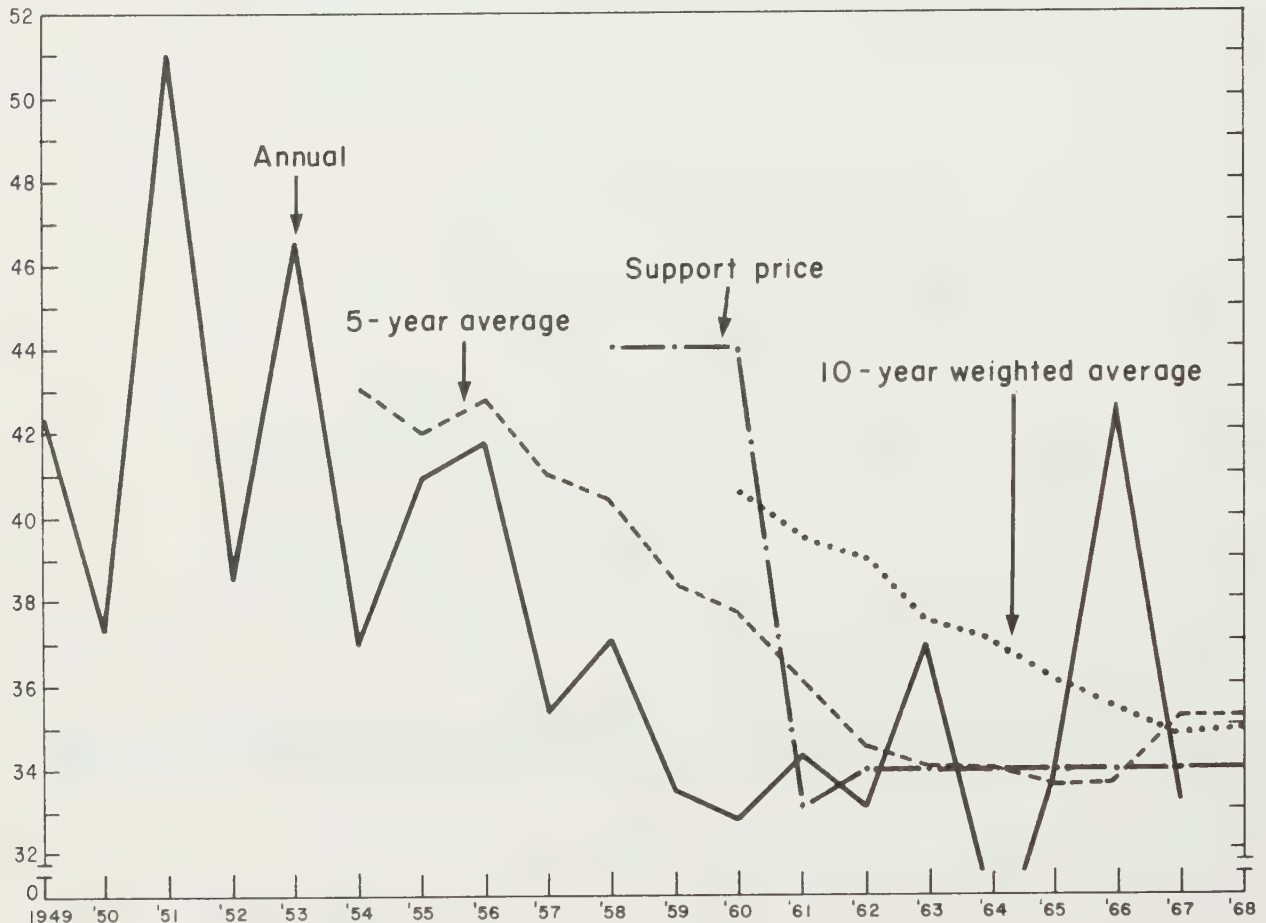


FIGURE 6

## SOYBEANS

PRICES AT ELEVATORS, 1949 to 1968

DOLLARS PER BUSHEL

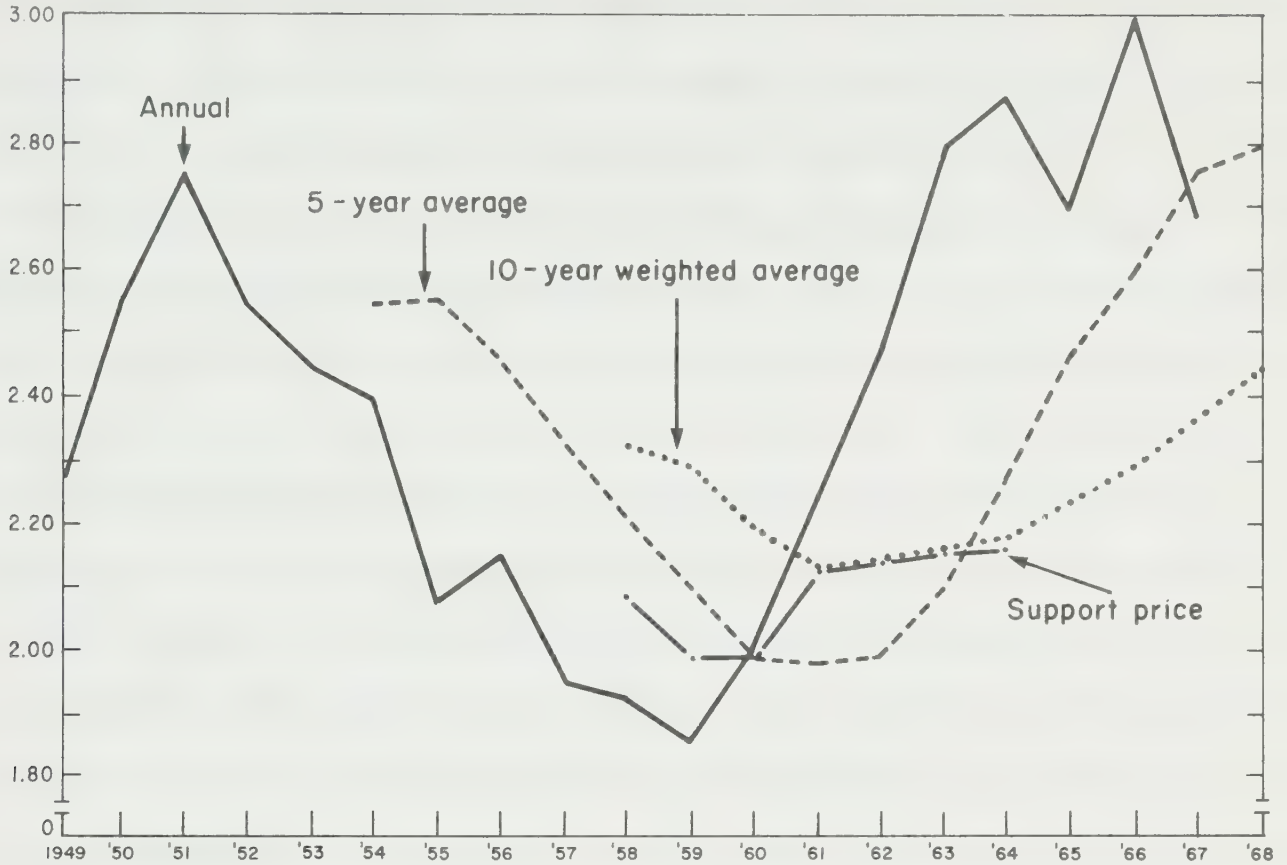


FIGURE 7

## HONEY

PRICES FOR WHITE No. 1, CANADA, 1949 to 1968

CENTS PER POUND

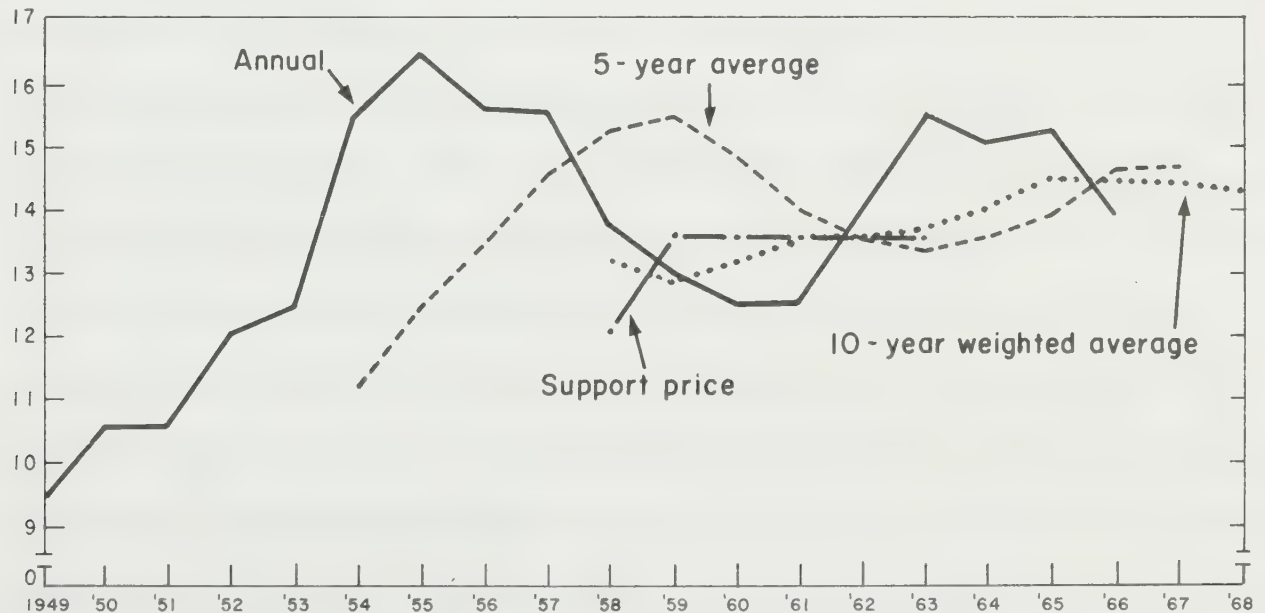


FIGURE 8



figures 2 to 8. A study of these charts provides an opportunity to consider the merits of a 10-year average as compared with an average for a shorter period, in this case 5 years, in the calculation of the base price. If the objective in the calculation of the base price is to level out the wide fluctuations which occur in the annual price, and at the same time to reflect the main features of the annual price movements, a 5-year average would seem to have greater merits than the 10-year average presently prescribed in the legislation.

Consideration should also be given to the fact that the percentage of the base price which has been used in establishing this annual prescribed or support price has varied from the 80 per cent minimum to more than 100 per cent, and in the case of wool as high as 149 per cent. The question may well be raised as to whether the degree of flexibility provided in establishing the prescribed percentage does not make the establishment of any formula for the base price meaningless?

Apart from wool, where the objective was clearly to provide an incentive subsidy for the fast declining sheep industry, the support prices would appear to have been established at realistic levels which would provide reasonable protection to producers without creating an incentive to excessive production.

The use of the deficiency payment technique in the administration of the Agricultural Stabilization Act has worked out satisfactorily during the period under review as an alternative to the purchase program. The success of price support operations, regardless of which technique is used, will be determined in large measure by the availability of export outlets, either on commercial markets or as food aid, as a means of disposing of surpluses without depressing domestic prices. It is suggested that in future price

support operations, greater consideration should be given to the application of the principles of supply-management as a guide to adjustments in the use of resources. It is to be hoped that the annual agricultural outlook might go further in providing producers with such guides in the future.

The practice in connection with price support programs for some commodities (e.g. eggs) of establishing ceilings on the volume of the product on which payments will be made has been criticized as discriminating against economic-sized producers which other programs encourage. The validity of this criticism could be greatly reduced by establishing both minimum and maximum limits based on economic-sized units, within which payments might be made. This would provide a basis for excluding large numbers of small non-commercial producers as well as large "factory operations" from price support programs. It would, of course, necessitate the establishment of alternative "welfare" programs to assist in providing the income requirements of small producers.

#### Supplementary Income Assistance

This section of the report deals with a number of unconnected government programs which, through the use of government subsidies, or compensatory payments, have the objective of increasing and stabilizing incomes.

Feed Freight Assistance - A very thorough economic study of the feed freight assistance policy was made by T.C. Kerr in 1966.<sup>14/</sup> Mr. Kerr made "an evaluation of the likelihood of the feed freight assistance policy resulting in benefits to the agriculture industry, analyzing the impact of the policy upon the various regions and sectors of agriculture, determining the possibility of the subsidy acting as a consumer subsidy, and attempting to reconcile the policy with the goal of maximizing income in the Canadian economy."<sup>15/</sup>

<sup>14/</sup> Kerr, T.C., An Economic Analysis of the Feed Freight Assistance Policy, Canadian Agricultural Economics Research Council, September 1966.

<sup>15/</sup> Ibid, p. 25.

As a result of his analysis, Mr. Kerr expresses particular concern about the locational effects created by the feed freight assistance program and the fact that they work against efficient resource allocation in Canada. He concludes that "when analyzed in this manner, the feed freight assistance subsidy shows up as being of comparatively little or no benefit to Canadian agriculture. Undoubtedly, it may result in individuals in certain regions being able to pursue occupations which otherwise they would have been unable to follow in that area. However, to the extent that these individuals may have gained, individuals in other locations have lost."<sup>16/</sup> Mr. Kerr indicates in a footnote that the question whether the subsidy has increased the total volume of livestock production in Canada is an empirical one, depending on the relative elasticities and shifts of regional livestock supply functions and one which is not answered in his study. While admitting the possibility that the Canadian consumer in certain regions has benefited from the subsidy, he states that, "it is questionable if the consumer has benefited to anything like the cost of the subsidy which is borne by the Canadian taxpayers."<sup>17/</sup>

The manner in which the benefits of the feed freight subsidy is distributed among livestock producers in Eastern Canada and British Columbia is another matter of some interest. To what extent, for example, has the subsidy been a basic factor in the development of the few very large poultry units in Nova Scotia which account for the greater proportion of total egg production in that province and in the integrated feed-broiler units established by many of the large feed mills? A calculation of the amount of the feed freight received by a few such individuals and companies would make interesting reading in the light of the original objective of the program to assist the small farmer.

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<sup>16/</sup> Ibid, p. 38.

<sup>17/</sup> Ibid, p. 39.



Kerr suggested that as an alternative to a feed grain agency, consideration be given to the broader concept of rationalizing the livestock industry in Canada within which the production and the movement of feed grain would be included.<sup>18/</sup>

The acceptance on the part of the government of optimum longer term allocation of resources as the basis for policy formulation would undoubtedly result in a reappraisal of feed freight assistance in the light of inter-regional competition and a long-term development program for livestock production.

Temporary Wheat Reserves Act - World wheat supplies and Canadian wheat production are characterized by wide variations from year to year. It is, therefore, necessary that Canada maintain large stocks of wheat, both to ensure her capacity to meet the varying needs of the world market from year to year and to enable producers to market a succession of bumper crops.

The Temporary Wheat Reserves Act recognized this situation and provides that stocks in excess of "normal" shall be held at the expense of the Government.

While accepting the principle on which the Act is based, it would seem that the definition used for "normal" stocks should be reviewed and adjusted periodically from the average for the 15 years preceding the 1951 crop on which the present "normal" carryover of 178 million bushels is based. As shown in Table 96, producer marketings of wheat, which averaged 296 million bushels for the 15 years 1936-37 to 1950-51, increased to an average of 368 million bushels for the 5 years 1955 to 1959 and 454 million bushels for the 5 years 1960 to 1964. The average marketing for the 3 years

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<sup>18/</sup> Ibid, p. 140.



1965 to 1967 was 600 million bushels. For the 15 year base period 1936-37 to 1950-51 the Canadian Wheat Board carryover stocks of wheat amounted to 60 per cent of producer marketings. For the two 5-year periods 1955 to 1959 and 1960 to 1964 Canadian Wheat Board carryover stocks were 108.6 and 86.7 per cent, respectively, of producer marketings of wheat. For the three years 1965 to 1967 Canadian Wheat Board carryover stocks were only 58.8 per cent of marketings. If, for example, "normal" reserves of wheat were to be up-dated on the basis of 60 per cent of producer marketings using the 15 years 1947-48 to 1961-62 (thus omitting the last 5 years of high production and high marketings), 213 bushels would be used in place of 178 million. If the same calculation were based on the last 15 years, 1952-53 to 1966-67, the "normal" reserve figure would be 262 million bushels.

TABLE 96.- COMPARISON OF "NORMAL" WHEAT CARRYOVER AS USED IN THE TEMPORARY WHEAT RESERVES ACT WITH PRODUCER MARKETINGS OF WHEAT, AVERAGE FOR SELECTED PERIODS

Period	Stocks Held by Canadian Wheat Board	Producer Marketings of Wheat	Stocks as Per Cent of Producer Marketings
- thousand bushels -			
1936-37 to 1950-51	178,000	295,650	60.3
1955 to 1959	399,617	367,971	108.6
1960 to 1964	392,444	453,797	86.7
1965 to 1967	352,882	600,059	58.8

Regardless of what basis is used, it is evident that an up-dating of the method of calculating normal reserve to take into account increased marketings would mean a substantial reduction in government payments under the Temporary Wheat Reserves Act.

Emergency Programs Resulting from Adverse Weather - Government emergency drought relief payments were general during the 1930's. Acreage payments of \$1 per cultivated acre up to a maximum of \$200 were paid by the federal government to the holder of each quota permit book in 1958, 1960 and 1961. In 1958, the Minister of Agriculture stated that he considered the plan of acreage payments to be the best method of meeting the cash difficulty which existed in Western Canada due to short crops in 1957 and 1958. He said that this plan would give the most assistance to small farmers who had very little grain to deliver from those two crops, and who most needed assistance at the present time. In announcing the 1960 payment in the House of Commons, the Prime Minister said that this payment was considered the best way "to attain the ends sought by the two-price system, while avoiding its inherent difficulties ...". The purpose of the plan in 1961-62 was "providing for acreage payments to western grain producers to alleviate their serious financial conditions brought on by the drought during the previous summer." The total payments amounted to about \$121 million. In the autumn of 1959, payments of up to \$3 per acre on a maximum of 200 acres of unthreshed crops, were made to prairie farmers who were unable to harvest more than half of their field crops due to early and abnormally heavy snow. The cost of this emergency program was shared equally between the federal and provincial governments concerned.

In the fall of 1962, the federal government shared equally with the governments of Nova Scotia and Prince Edward Island the cost of a program to pay farmers whose grain crops had been lost because of poor harvesting weather \$16 for every acre unharvested up to a maximum of \$600 for any one producer.

In 1961-62, the federal and provincial governments shared a payment of \$5 per ton on green grain crops which were cut and baled as forage.

Payments were made by the federal government to the provinces of Alberta and Saskatchewan to cover half the amount paid by them on transportation of seed oats during the winter of 1962.

Compensation for crop losses due to adverse weather was paid during 1965-67 to Prince Edward Island and British Columbia.

Costs of transporting feed in connection with livestock emergency feeding programs are frequently shared by the federal government and the provinces concerned.

Compensation is paid by the federal government for livestock slaughtered under the Animal Contagious Diseases Act and for loss of income when crops have been lost because of disease, insects and pests. Provincial governments also have programs which provide compensation for loss of livestock or crops.

The above list of ad hoc emergency measures designed to cope with the effects of adverse weather indicate a serious need for a comprehensive crop insurance program within which provision can be made to provide income payments in the event of serious crop losses.

The first systematic program for payment on crop losses was introduced in 1939-40 under the authority of the Prairie Farm Assistance Act. It recognized a serious income problem associated with periods of highly variable and often extremely low yields. The Act provides for a levy on sales of

grain and for payment by the federal government of awards to individual farmers in the event of crop failures on not more than half of his cultivated land, up to a maximum of 200 acres. During the period 1939 to 1966, \$186 million was collected as a levy and \$361 million was paid in some 1.5 million awards. The average payment for the 18-year period was \$245 as compared with a maximum possible payment of \$800 for 200 acres with a yield of less than 3 bushels per acre. While payments under the program have tended to encourage the keeping of submarginal land in production, the program with its maximum of 200 acres eligible for payment, provided for a distribution of payments among a maximum number of farmers. The P.F.A.A. program had many of the characteristics of crop insurance and the experience obtained from its operations provided useful guide lines for the establishment of the crop insurance scheme.

The Crop Insurance Act which was passed in 1959 authorized the federal government to enter into an agreement with any province to contribute 50 per cent of the administrative costs and 20 per cent of the premiums necessary to operate a crop insurance plan. In 1964, an amendment to the Act authorized the federal government to re-insure part of the provincial risk involved in an approved crop insurance plan. In 1967-68, federal-provincial crop insurance programs were in operation in six provinces. While it is too early to make a definite evaluation of crop insurance operations, there is every reason to expect that the use of crop insurance will continue to expand and by reducing the effect of crop losses, will contribute materially to the stability of farm income.



### Research, Education and Extension

An extensive appraisal of research, education and extension related to agriculture has not been a purpose of this report. However, because of their underlying contribution to the success of the agriculture industry comments are justified.

#### Research

The benefits of agricultural research are so many that they defy quantitative measurement. It has helped take some of the risk out of farming by developing disease resistant varieties of crops, increased the potential of land to produce plant and animal products, developed controls for diseases and pests, helped to develop and design products to meet consumer demands and alternatively has produced new consumer products which provide alternative outlets for plant and animal products. Drummond, Anderson and Kerr, state that "The policy for research was basically sound ... . It constitutes one of the strong features of the federal government's policy in agriculture; its contribution in all fields of scientific agriculture have been responsible for major advances in productivity."<sup>19/</sup>

The federal Department of Agriculture continues to be the largest agricultural research agency in Canada and its expenditures increase annually. However, the amount spent on agricultural research has not kept pace with expenditures on other scientific activities by the federal government. Dominion Bureau of Statistics estimates of federal government expenditure on all scientific activities placed the Department of Agriculture's expenditure in 1958-59 at 12 per cent of the total, by 1966-67 the proportion had decreased to 9 per cent (Table 97).

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<sup>19/</sup> Drummond, et al., A Review of Agricultural Policy in Canada, The Agricultural Economics Research Council, Publication No. 1, p. 17.

TABLE 97.- CANADA DEPARTMENT OF AGRICULTURE EXPENDITURES ON SCIENTIFIC ACTIVITIES COMPARED WITH FEDERAL GOVERNMENT EXPENDITURE ON SCIENTIFIC ACTIVITIES

Year	Total Federal Government Expenditure	Department of Agriculture Expenditure	Agricultural Expenditure as Per Cent of Total Expenditure
- millions of dollars -			
1958-59	224.5	27.5	12.2
1959-60	214.4	31.4	14.6
1960-61	231.0	28.8	12.5
1961-62	261.3	32.1	12.3
1962-63	255.7	29.6	11.6
1963-64	299.7	30.6	10.2
1964-65	333.8	33.7	10.1
1965-66	401.4	36.1	9.0
1966-67	462.9	41.2	8.9
Sources: (1) <u>Federal Government Expenditures on Scientific Activities, Fiscal Year 1962-63, Business Finance Division, D.B.S., p. 7.</u>			
(2) <u>Federal Government Expenditures on Scientific Activities, Fiscal Year 1965-66, Business Finance Division, D.B.S., Daily Bulletin, Supplement 4, p. 2.</u>			

Generally, one can say that the agricultural research program has done a good job. However, it appears that more progress has been made in some areas of research than in others, for example, there appears to have been more favorable results in cereal research than in forage crop research, in poultry than in hogs, in dairy cattle than in beef cattle. Part of the difference undoubtedly is due to the nature of the subject. Some questions

that arise have to do with the distribution of research effort. While acknowledging that plant improvement has an indirect effect on livestock production, one cannot help but note that in 1966 only 18.5 per cent of the research effort was expended on animals and 42.1 per cent was expended on crops. In the area of crop research 43.2 per cent of the effort was expended on horticulture, 22.3 per cent on cereals and only 15.4 per cent on forage crops. In the area of animal research 35.2 per cent of the effort was expended on cattle, 19.8 per cent on poultry and 11.6 per cent on swine.

In view of the recent concern about hog grading and hog quality in Canada, it seems fair to raise the question from the standpoint of overall government assistance to the hog industry, what would the result have been if the more than \$160 million spent on hog quality premiums during the past 25 years had been spent on research in hog breeding?

The present controversy about wheat varieties and the adequacy of the beef grading system prompts questions about the adaptability of the research program to changing markets at home and abroad.

In 1966, only 8.1 per cent of the total agricultural research effort in Canada was on economics. Only 3.6 per cent of the agricultural research effort of the federal government was in this category while that of the provinces was 22.2 per cent and of the universities 16 per cent.

A group at the Canadian Agricultural Economics Society Annual Workshop, in 1966, reported the following: "There appears to be a real void in interdisciplinary agricultural research. The Canada Department of Agriculture Research Station, directors and their staff were recently asked for a judgement of the potential for improving productivity on farms in their areas. These estimates are both encouraging and discouraging.



Encouraging because tremendous potentials exist for many areas to improve yields per acre of both forage and cereals and for improving the performance of dairy and beef enterprises on both the average and the top 10 per cent of farms. The discouraging thing is that if present acceptance trends continue, the time required to get adoption of best practices will not only be very long but does not allow for very much improvement in overall productivity advance from this source. In some parts of Canada, (poultry, hogs and in some cereal areas) the better farmers appear to have caught up to the stations and unless new or greater efforts are made to advance in these areas we may be faced with a severe slowdown and a deterioration in the competitive position of the industry.

There is, therefore, an urgent need that in the programs of research stations, a continuing high priority be given to applied research into those inputs which are directly concerned with higher productivity in forage crops, feed grains, dairy and beef production. In this area of work, there is a need for closer collaboration between the physical scientist and the economist and the development of programs of interdisciplinary research."<sup>20/</sup>

#### Extension

It is difficult to pass judgement on the effectiveness of the extension effort. On one hand we have progressive commercial farmers who are innovators, who adopt new techniques of production before they become recommended practices. On the other hand, we have a large number of farm operators who have not adopted production techniques that have been recommended practices for many years. White and Heighton found that modern dairy practices were being used by a minority of Canadian dairy farmers who sold manufacturing

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<sup>20/</sup> Meeting the Needs of Tomorrow's Commercial Farmers, Canadian Agricultural Economics Society Workshop Proceedings, 1966, pp. 66-67.



milk.<sup>21/</sup> Only 54 per cent were using a milking machine, 36 per cent artificial insemination, 29 per cent a can cooler, 8 per cent a bulk tank, 6 per cent record of performance or dairy herd improvement testing programs, and 3 per cent a pipeline milker. In a study in the Lower Fraser Valley of British Columbia, Verner and Gubbels found "more dairymen not aware of the innovations studied than had adopted them."<sup>22/</sup> They also report that although many dairy farmers were aware of certain innovations of production they did not adopt them, indicating that the sources of information failed to sufficiently motivate them to take action.

Not only are many farmers unaware of modern techniques of production but they also do not know about or do not understand the government policies and programs which are in effect for their benefit. Furthermore, they often support policy proposals that are basically unsound, whether this is from inadequate analysis or lack of information we cannot say.

Traditionally, extension activities have been production oriented, concerned with helping the farmer produce more at lower cost, but it was left to the farmer's ingenuity and initiative to integrate the information into a balanced program for his farm. Individual farm planning assistance does not appear to have received widespread acceptance except for two programs of the federal government, those of the Veterans Land Act and the Farm Credit Corporation.

Government extension workers have been and are a dedicated and conscientious group, and many have achieved and continue to achieve considerable success. In addition to his role as the rural adult education program

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<sup>21/</sup> W.J. White and V.A. Heighton, Manufacturing Milk and Cream Production in Canada, Canadian Farm Economics, Volume 3, Number 2, June 1968, p. 13.

<sup>22/</sup> Coolie Verner and Peter M. Gubbels, The Adoption or Rejection of Innovations by Dairy Farm Operators in the Lower Fraser Valley, Agricultural Economics Research Council of Canada, June 1967.

coordinator, he has been the handyman for agricultural societies, livestock and crop improvement clubs; the leader for 4-H clubs; and the agent responsible for distributing seeds, pesticides, dehorers, etc. in government sponsored programs. It seems reasonable to suggest that club work, which is well established in all provinces and with benefits widely recognized, should be carried on with local leadership and a minimum of assistance from the agricultural representative. It is questionable if a skilled extension worker is required as the agent for many of the agricultural assistance programs.

A number of the successful commercial farmers appear to be by-passing the local extension worker and going directly to the sources of information: the research station, experimental farm or university department. This may not be new, but it certainly appears to be increasing. Increasing, too, are the reports of farmers going to the United States for information. Prominent among this group are the livestock feeders seeking information on feedlot management. Whether this is due to a lack of research in Canada or a lack of awareness of research on the part of the extension worker we cannot say. Probably, it is some of both. It is apparent that the debate regarding the coordination of research and extension work, which has gone on for many years, has not had a formal resolution.

Private operators have been developing farm management advisory services, undoubtedly, in response to a willingness on the part of commercial farmers to pay for the service. Banks, farm supply and grain marketing companies are also offering advisory services to farmers. Should governments continue to provide free advice to farmers or should farmers pay for their extension service? In some provinces farmers are paying a fee for farm accounting and feed and soil testing services provided by the government. There is little evidence of

research on extension methods being carried out in Canada to determine the effectiveness of extension activities and the changes that are necessary to meet the extension needs of the farmers of the future.

### Education

The relatively low level of formal education achieved by the majority of farm operators continues to be an area of concern. In 1961, only 29 per cent of farm operators had more than elementary school education, in comparison with 75 per cent of those engaged in managerial occupations elsewhere in the economy. Only 32 per cent of the farmers and farm workers had 9 or more years of formal education. Enrolment in vocational agricultural training courses has remained relatively stable in spite of the apparent need for this type of training.

The recent annual report of the Economic Council of Canada had the following: "Although considerable improvements have been made over the post war period, education levels of farm youth are still below the levels of non-farm youth. Higher levels of education are essential for those who wish to leave farming to compete in non-farm occupations.

Better education is equally essential for those who wish to stay in farming and who need to adopt modern and efficient production techniques, manage larger farm units, and use the productive resources at their disposal to yield the maximum payoff."<sup>23/</sup>

Technology is changing the agricultural industry at an ever increasing rate. In spite of the fact that there is already a wide gap between what is known and what is applied, research must go on. As the promoters and coordinators of farmer education there is much to be done by the extension services.

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<sup>23/</sup> Economic Council of Canada, Fifth Annual Review, The Challenge of Growth and Change, September 1968, pp. 99-100.



CONCLUDING REMARKS

In our review of government assistance to agriculture, we have commented generally on the contribution of the principal programs in relation to their objectives and the basic goals for agriculture and we have posed questions and made suggestions with respect to possible alternatives.

It is our conclusion that Canada has an agricultural policy - not a planned comprehensive, co-ordinated policy but a policy in which governments have become involved progressively in livestock and crop improvement programs, in grading, inspection and market controls, in agricultural research, extension and education, in farm credit, in the direct monopolistic marketing of grains, in price and income supports, in crop insurance and in the rehabilitation of rural resources - human as well as physical.

With respect to goals, we are impressed by the summary statement of the Canadian Agricultural Economics Society's workshop on agricultural policy: "The goal of agricultural policy should be to ensure that farm people have access to the same quality of life as is generally available to other segments of our society."<sup>24/</sup> This concept is broader than higher incomes since it embraces consumption standards and is measured in satisfaction.

We concur with the first conclusion of the Workshop: "We consider it important to distinguish between policy for commercial and other farms."<sup>25/</sup>

We agree with the previously quoted statement, "that the approach to farm income should be to review it basically as a problem in the use of

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<sup>24/</sup> Proceedings Thirteenth Annual Workshop, Canadian Agricultural Economics Society, Guelph, June 19-21, 1968, p. 88.

<sup>25/</sup> Ibid, p. 89.



resources rather than one of commodity prices."<sup>26/</sup> At the same time, we believe that, having regard to the low elasticity of demand for most agricultural products, effective price maintenance requires responsible collective application of supply management.

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<sup>26/</sup> Drummond, Anderson and Kerr, A Review of Agricultural Policy in Canada, The Agricultural Economic Research Council of Canada, Publication No. 1, p. 75.





